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INTERNATIONAL ECONOMIC CONFERENCE

No. 7
April 10
1952

INFORMATION BULLETIN

Conference Diary

The Plenary Session of the International Economic Conference on April 9 was opened by **M. Paul Bastid** (France). He informed the Session that there is an opinion current that the Business Contacts Bureau should be broadened to include representatives of all countries. The Chairman further announced that the Soviet Arrangements Committee has invited Deputy Minister of Foreign Trade of the U.S.S.R. **A. Zakharov** to take part in the work of the Contacts Bureau. Similar invitations were addressed by the Chinese delegation to **Mr. Lei Jen-min**, Deputy Minister of Trade of the Chinese People's Republic, and by the British delegation—to **Mr. J. Perry**, Director of the Combrian Dress Products, Ltd. It would be desirable, he said, that representatives of other countries should also be delegated to the Contacts Bureau.

The floor was then granted to **M-me Tomi Kora**, professor and member of the Chamber of Councillors of the Japanese Parliament, who was followed by **Herr Heinrich Krumm**, owner of a leather goods factory at Offenbach (Western Germany).

The Plenary Session heard the reports of representatives of the Working Groups.

Professor **O. Lange**, Chairman of the International Trade Group, declared in his report that the speakers at the meeting of this Group called attention to the low volume of international trade today, which is largely due to the decline in trade between the countries of the West and East. At the same time, there are wide possibilities for a considerable increase in the volume of trade between West and East, and proof of this is contained in particular in the important transactions concluded in the course of the Conference.

Summing up the results of the discussion held in the Group, Mr. Lange briefly formulated the recommendations of this Group. The Group went on record in favour of the abolition of all restrictions in international trade which are based on non-economic considerations. It recommended the conclusion of long-term agreements between countries, including multilateral agreements; the conclusion of credit and payment agreements, and, in particular, on payment for

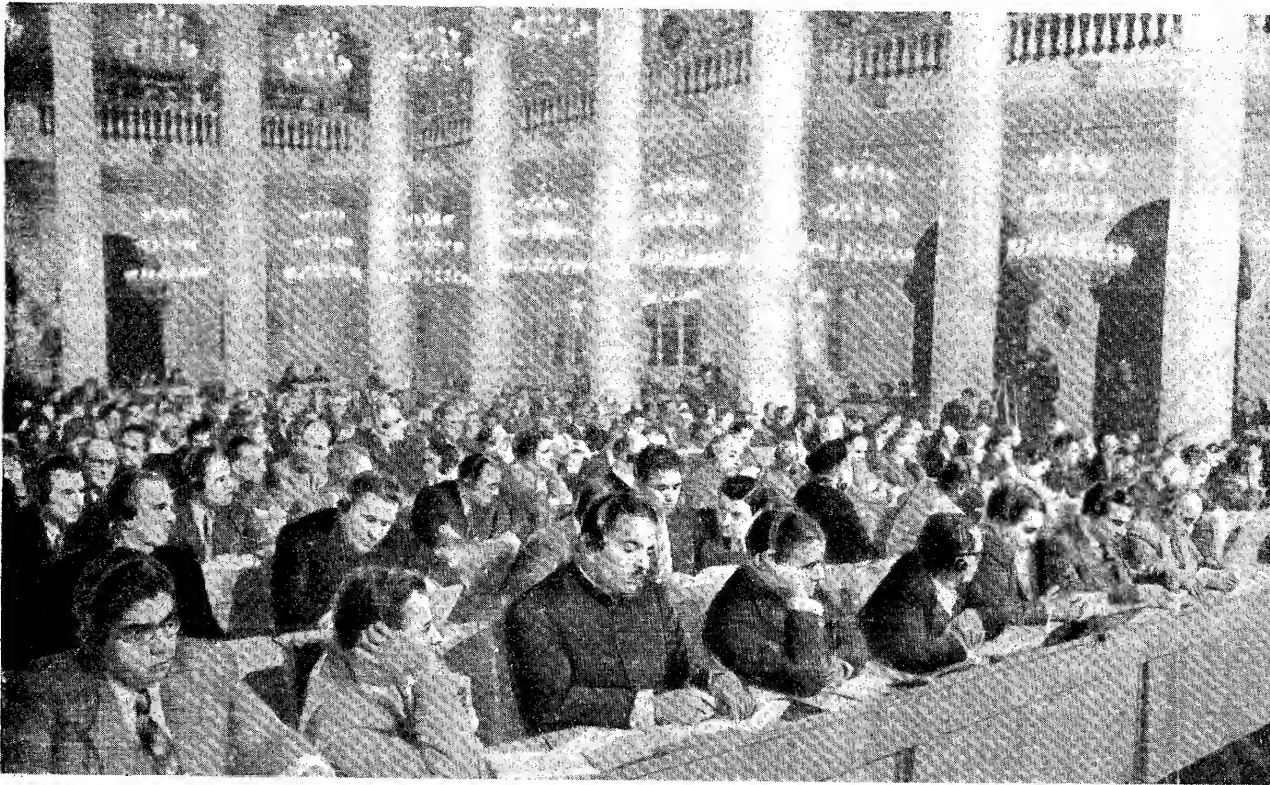
imports in national currencies; and steps to bring about the simplification of customs, transit and other formalities. Speakers at the meeting of the Group expressed the hope that the work initiated by this Conference will be continued, and proposed to set up an International Committee for the preparation of another International Economic Conference and for conducting other activities designated to promote international trade.

The report on the results of the work of the International Economic Cooperation for the Solution of Social Problems Group was delivered by **M. Pierre Lebrun** (France). He informed the Session that this Group had given thorough consideration to the problems of food, housing and employment from the viewpoint of their connection with the state of international trade. The Group submitted to the Plenary Session the following recommendations: 1) under the existing political and economic conditions, business circles should do everything within their power to facilitate the exchange in goods; 2) all governments should give every assistance to businessmen and commercial organizations in the expansion of international trade; 3) governments should take joint steps, through the specialized agencies of U.N.O., for the gradual elimination of the handicaps to international trade; 4) as a first step, the United Nations General Assembly should be recommended to convene at the earliest date a conference of representatives of all governments together with representatives of business circles; 5) the Conference considers the existing international tension one of the main obstacles to the development of international trade; the Conference expresses the fervent hope that as a result of wise action this tension will be relieved and the way will be cleared for cooperation, for raising the living standards of mankind.

Mr. Gyan Chand (India), Chairman of the Underdeveloped Countries Group, declared in his report that the majority in this Group were unanimously of the opinion that the peoples in the underdeveloped countries are prey to poverty and disease owing to the economic backwardness of their countries. Concerted efforts on the part of all states of the world are necessary to help the underdeveloped countries. The speakers in the discussion held in this Group denounced the methods of

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In the Session Hall

trade which undermine the independence of the underdeveloped countries, and encroach upon their sovereignty, emphasizing that the interests of the underdeveloped countries dictate the need for doing away with all discriminations and all restrictions in trade. Trade should become a means of strengthening their economies.

Mr. Chand went on to state the views shared by the majority in his Group on the ways of finding capital for the economic development in the underdeveloped countries, on technical assistance and services to these countries and aid in training technical specialists.

After a brief recess, the Plenary Session was resumed with Senator **Ahmad Matin Daftari**, Professor of Teheran University, in the chair. He granted the floor to Professor O. Lange who informed the Session of the future procedure recommended by the Presiding Committee of the Conference.

"There are three basic proposals submitted to our Conference," said O. Lange. "One is the establishment of a Committee for Promotion of International Trade. The second is an Address to the United Nations, and the third is a Communique indicating the main results of the Conference, such as the number of persons who attended, the countries from which they came, the contents of the reports of the Working Groups and an account of the results of the business contacts which we have established at this Conference. All other proposals should, in the opinion of the Presiding Committee, be transmitted to the Committee for Promotion of International Trade, which we propose to elect, for consideration and possible further action."

Mr. Lange recommended that the Conference should entrust the Presiding Committee with the preparation of a draft project of the above proposals.

In their brief speeches, M. **Bernard de Plas** (France),

director of the National Publicity Corporation, and **Ali Wekili** (Iran), a businessman, seconded the proposals moved by Professor O. Lange.

These proposals having been unanimously approved, the Session was addressed by M. **Robert Chambeiron**, Secretary General of the International Economic Conference, who stated his considerations with regard to the date of the closing meeting of the Conference. He proposed to call the last Plenary Session on April 12 and cited the reasons for modifying the original procedure of the Conference.

The first reason is that many businessmen attending this Conference have asked to be given the possibility to meet representatives of Soviet economic organizations and other delegates in order to continue the commercial negotiations begun on the first day of the Conference. Secondly, the participants of the Conference should be given time to examine the reports of the Groups submitted for the consideration of the Plenary Session. Thirdly, and lastly, the Presiding Committee should be given the opportunity to prepare a careful draft of the proposals to be presented for the consideration of the Plenary Session, so that these proposals should reflect the general opinions of the participants of the Conference.

The proposal of M. Robert Chambeiron was adopted unanimously.

The closing Plenary Session of the International Economic Conference will take place in the Hall of Columns of the House of Trade Unions, at 10 a.m. on Saturday, April 12.

★

Five hundred twenty-one persons representing 49 countries are taking part in the labours of the International Economic Conference.

Mme. Tomi Kora

(JAPAN)

◇ ◇

The people of Japan are determined to have peace; Japan's economy must serve the interests of world peace, Mme. Kora said.

We have learned some lessons from the past. Our people are determined to advance along the path of peace, but no small nation can proceed along that path alone. No nation, however small and secluded, can afford to lead the hermit life that we have led in the past. We must frankly and honestly state that our dense and growing population of nearly 84,000,000, living on four small islands, requires assistance.

Though Japan's industrial output has attained the prewar level, her export trade is encountering many difficulties.

Compared with prewar, food prices have advanced 437 per cent, and textiles 444 per cent. Imported raw materials cost more, with the result that export goods—machines, metalwares, rolling stock, ships, sewing machines, etc.—must be sold at higher prices.

The textile industry has been hard hit. Cotton mills producing for export to Pakistan, Africa and other areas are curtailing operations. Their women workers are either being dismissed or are employed only half time. Yet textile exports could supply Japan with foreign exchange to purchase food in Burma, Thailand and other countries. And it is our ardent wish, the speaker said, to be able in

the near future to buy food in China and the Soviet Union.

Japan could export silk and silk goods, porcelain, handicraft products, and China and the U.S.S.R. would be rendering us an important service by buying these goods.

Japan's import requirements cover a wide range of food products: rye, wheat, sugar, soybeans, and such raw materials as wool, cotton, coal, oil and oil products, timber ores, metals and hides.

We sincerely hope, Mme. Kora said, that the day is not distant when Japan will be able to resume trade with her neighbours instead of having to import the goods she needs from the United States and South America by way of the Panama Canal and the Pacific.

The speaker then described living conditions in Japan. She said that as against the required caloric content of 2,500, the average Japanese diet in 1947 amounted to only 1,535 calories, in July 1951 to 1,089, and this January to only 806. Statistical returns indicate that the conditions of the people are deteriorating.

Unemployment is bound to grow in the next few years. We mothers are often re-

proached for having brought too many children into the world. But they have been born, they have survived the war, and it is our duty to find employment for them.

Unemployment is widespread and is, increasing all the time, the speaker said. What can be done to give these people a decent life? How can their living standards be raised and their earnings increased?

Wages are around 81-85 per cent of prewar, though food prices have advanced 437 per cent and manufactured goods nearly 150 per cent.

Half of our students, Mme. Kora continued, have to work their way through college, working in the daytime and attending classes in the evenings. Some even sell their blood to blood-banks.

We must bring the joys of labour to all the peoples of the earth, Mme. Kora said in conclusion. She suggested that technicians be encouraged to visit other countries and share their experience, if necessary becoming citizens of these countries, living there and sharing the life of their peoples. That is one lesson we could learn from ancient Asian wisdom, for it was in this way that Chinese and Korean artisans taught us various arts and crafts, and we know that Oriental art and science have had a profound impact on the whole world. (Applause.)

Herr Heinrich Krumm

(WEST GERMANY)

◇ ◇

Mr. Chairman, Ladies and Gentlemen,

The Conference is drawing to a close. We want to express our sincere thanks to our hosts for the cordial reception and hospitality extended in line with the traditions of their country. They have afforded us the opportunity of gathering excellent impressions.

We would also like to thank the representatives of all other nations who in the individual negotiations have met us, West Germans, with such great understanding.

Mr. Krumm stated that the Conference participants from West Germany deemed it necessary to refrain from nominating a representative for the Presiding Committee of the Conference. He declared explicitly that the Group from West Germany did not constitute a delegation but consisted rather of

The speeches are given in abridged form.

private individuals and businessmen who were neither authorized by the government of the German Federal Republic nor had received any instructions from that government. "For these reasons my present speech," he continued, "cannot be binding upon our government."

He then went on to say:

"In their statements at this Conference all participants have repeatedly stressed their readiness for close economic cooperation. This as well as the talks and negotiations that were conducted here by individual economists with participants in the Conference led us to the conviction that useful work has been done here. We confidently hope that the economic ties initiated here will on our return home be developed, and we believe

that they will exercise a beneficial influence on trade between our country and all other peoples.

"Our very special interest in the removal of all trade restrictions springs from the difficulties which commodity exchange still encounters today within our country.

"We cannot believe that the work of this Conference is to be considered finished.

"We therefore join in the proposal that a permanent Information Centre be established. We suggest that its headquarters should be in Berlin. The particularly favourable location of this city, situated as it is halfway between East and West, requires no demonstration.

"We are moreover of the opinion that relations should be established with all institutions in the world which likewise aim to promote trade and universal peace." (Applause.)

Report by Mr. Oskar Lange

Mr. Chairman, Ladies and Gentlemen,

The Working Group on the Development of International Trade met on April 5, 7 and 8, discussing the present situation of world trade, the possibilities of increasing and expanding international trade and the means to achieve such expansion.

As a result of the discussion certain proposals were made. It is the purpose of this report to give a summarized account of the conclusions of the discussion and of the main proposals resulting therefrom.

I

The participants in the discussion indicated the low level of present international trade. It was pointed out that the present volume of international trade is only very slightly in excess of that of 1928, and if the increase in population is taken into account the per capita level turns out to be lower in many countries.

Delegates from many countries expressed their anxiety concerning this state of affairs and pointed to the disruption and shrinkage of economic relations between nations. This disruption, many speakers said, is a consequence of the artificial obstacles to foreign trade resulting from discriminatory restrictions based upon non-economic considerations.

As the majority of the speakers who took part in the discussion stated, the decrease in trade between the countries of the West and the countries of the East is a main factor in the present abnormal situation of international trade.

A number of delegates from Latin America, Asia and Western Europe mentioned the adverse effects these restrictions have for the national economies of their countries. They pointed out that the disruption of many traditional channels of trade had led to difficulties in the export of many commodities, which in turn makes it impossible to purchase the imports necessary for the development of the national economies and the provision of the needs of their populations. In many countries this has caused a recurrent and even more or less permanent crisis in their balance of payments. One of the symptoms of this crisis is the well-known dollar shortage experienced by a great number of countries.

It was stated that the attempts to meet the crisis of balance of payments by means of import restrictions lead to a lowering of the living standards of the populations of these countries, to a rise in prices, and unemployment. Speakers from West-European countries mentioned that these attempts have failed conspicuously to solve the problem of balance of payments and that the only permanent solution can be found in an extension of the geographical area of the foreign trade of these countries, which at present appears to be too narrow. Similar views were expressed by speakers from Canada, Latin America and the countries of Asia. These views are in harmony with that expressed at the

(Chairman, Development of International Trade Group)



Plenary Session by a participant from the U.S.A. indicating the desirability of an all-round and free development of trade relations between all countries.

Participants from Asia and Latin America indicated that the artificial obstacles imposed on foreign trade are a serious handicap for the economies of the underdeveloped countries. They prevent these countries from purchasing the materials and equipment necessary for the industrial and general economic development of their countries from accessible sources with the foreign currency they might have at their disposal if they could develop fully their exports to all countries of the world. Thus, the present disruption of international trade relations weighs heavily upon underdeveloped countries.

II

However, the analysis of the present state of international trade, of the causes of its inadequate volume, and of its adverse consequences upon the national economies of various countries did not lead the participants of the Working Group to pessimistic conclusions.

The most remarkable conclusion of the discussions in the Working Group was the establishment of the existence of great possibilities of increasing the volume of international trade, of expanding its geographical area and of extending the list of commodities exchanged.

During the discussion the representatives of business circles of various countries expressed their willingness to develop trade relations with other countries and they made concrete proposals concerning their ability to increase foreign trade during the next few years.

Thus, for instance, the delegate from China declared that his country is able during the next two or three years to increase its foreign trade with countries of private enterprise to the value of 15,000-19,000 million rubles.

The delegates from Poland, Czechoslovakia, Rumania, Hungary, Bulgaria and Albania presented concrete proposals for the increase of their trade with West-European, American and Asian countries. These countries are able to increase their foreign trade to the value of 25,000-30,000 million rubles during the next two or three years.

From the declaration of the delegate from the German Democratic Republic it follows that her foreign trade with Western countries can be increased during the next two or three years to the value of 10,000-12,000 million rubles.

To this it may be added that according to the statements Mr. Nesterov made at the Plenary Session, the Soviet Union is able in

the next two or three years to increase its trade with Western Europe, the Americas, Southeast Asia, the Middle East and Australia to the value of 10,000-15,000 million rubles annually, which is two or three times the maximum postwar level, which was achieved in 1948. At the meetings of the Working Group it was estimated that, taken together, the Soviet Union, China, Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, Albania and the German Democratic Republic are able to increase their trade with other countries to two and a half and three times its present level, and this over the short space of two or three years.

Participants from the countries of Eastern Europe and China drew attention to the fact that these possibilities of increasing foreign trade run parallel to the constantly increasing volume of trade and expansion of economic relations among themselves. They also indicated that the systematic increase in the volume of trade among themselves is founded on long-term trade agreements and that their trade relations are based on the principle of equality and mutual advantage. They further indicated that their system of trade agreements is such that problems of payment or currency difficulties do not arise. The possibility of expanding trade relations between the countries mentioned shows that similarly satisfactory trade arrangements based on equality and mutual advantage can be made with other countries.

In turn, speakers from countries of Western Europe, Asia, the Americas and other parts of the world have indicated their willingness to develop their trade relations with the Soviet Union, China and the countries of Eastern Europe.

Thus the discussion has established both the willingness for and the possibility of a substantial increase in international trade which may well contribute towards the solution of the difficulties in which many countries find themselves, and which may be of mutual advantage to all parties concerned.

Since the obstacles which prevent taking full advantage of trade possibilities are of an artificial and non-economic character, it is possible by removing them to create conditions allowing for the full development of these possibilities. Consequently, the discussion in the Working Group shows that there is no need to accept the present unsatisfactory situation of world trade as inevitable and that ways and means may be found to overcome it and to develop international trade to the mutual benefit of all countries and their populations.

III

The Working Group did not limit itself to a discussion of the possibilities of increasing international trade in general terms. Concrete statements were made by participants from various countries concerning the products they might export and the commodities they wish to import.

In order to provide facilities for more detailed and concrete discussions on trade possibilities in particular commodities, six groups were formed to discuss the export possibilities as regards the following categories of commodities: engineering products, chemicals, minerals, foodstuffs, grains and textiles. Special rooms were set aside in which persons interested in these commodities—as potential buyers or sellers—could exchange their views and information. These discussions on particular groups of commodities went on in addition to the regular sessions of the Working Group and lasted for many hours.

I am happy to be able to inform this Conference that as a result of such discussions a number of really important transactions were concluded and an even larger number were initiated. This successful conclusion of discussions on particular commodities indicates clearly that an increase in international trade and establishment of new trade channels, as well as reestablishment of old ones, is not merely a theoretical possibility but a practical reality. The practical results of the meetings between representatives of business firms and business organizations of various countries at this Conference show clearly that there exists a large number of businessmen who are ready to take advantage of increased trade possibilities and that an increase in trade relations is feasible practically. If one considers that at this Conference there are only about 450 participants, and that not all of them are businessmen, this small sample of the practical possibilities of extending international trade relations foreshadows the great upswing in international trade which may be expected once the artificial obstacles hampering such trade are removed.

IV

The discussion which took place in the Working Group on the development of international trade resulted in a number of proposals. Some of them were of a more general and fundamental character, others referred to questions of detail. I do not think it is useful to present to you these proposals in all their details. They are contained in the speeches of the various participants in the discussion and they can be easily found in the Information Bulletin of the Conference. Here I shall concentrate on those proposals which are of a fundamental character.

First of all I should like to mention a proposal which was made by speakers coming from different parts of the world. This is the proposal that this Conference address its findings and conclusions, as well as its recommendations, to the United Nations, and that it invite the United Nations to take due cognizance of the facts and conclusions established at our Conference and take measures conducive to the in-

crease and development of international trade relations. This would, in the opinion of many participants, be an important step towards putting into effect the conclusions and recommendations of our Conference.

With regard to suggestions for recommendations to be made by this Conference, the following were submitted.

The removal of all restrictions on foreign trade based on non-economic considerations.

Other suggestions refer to the conclusion of long-term agreements between countries, including multilateral agreements, the development of technical measures to facilitate international trade, credit and payment arrangements, particularly the payment of imports in national currency, the simplification of customs, transit and other formalities, and others. Suggestions were also made concerning the organization of means of mutual information on export possibilities and import requirements; there were suggestions for Information Centres or bulletins, or similar means of achieving this end.

A great many speakers raised the question of continuing the work initiated by our Conference. Suggestions on this subject were made by speakers from France, Great Britain, Finland, Albania, Pakistan, the German Democratic Republic, Austria, Belgium and other countries. The suggestion that the work undertaken by this Conference should be continued seems to be widespread among the participants, though the exact means by which this should be carried out and the form it should take were not fully crystallized and there was considerable divergence in the details of the suggestions made on this subject.

However, there is one point which seems to find general acceptance. This is that it is desirable to hold another International Economic Conference like the present one. It may be too early to discuss now the date and place of this Conference, but the idea that another International Conference should be held in the not too distant future seems to be widely shared. It also seems to be pretty generally accepted among the participants of the Working Group that some kind of International Committee should be established to prepare for such a conference and possibly to carry on some other activities for the promotion of international trade.

Among further proposals which have been made I should like to mention that of calling national conferences of representatives of all business and economic circles to consider new markets for the traditional exports of each country, new sources of purchases of commodities needed by each country and reestablishment of old markets and sources of materials, on the basis of mutual advantage and national sovereignty. Another proposal suggests international economic meetings on specific trading and

economic questions. There is also a proposal to organize international fairs in various parts of the world.

V

Mr. Chairman, Ladies and Gentlemen, on behalf of the Working Group on International Trade I have presented to you an account of the discussions which took place in that group, of the conclusions which result therefrom, and of the suggestions and proposals which were made. Now I should like to go one step further and, already in my personal capacity, draw certain logical conclusions from the proposals which were suggested, and also put the most important of them in a concrete form.

The proposal to address the United Nations seems to me very appropriate. It is widely accepted among the participants of this Conference. However, it needs some precision. What organ of the United Nations should we address? We must address the United Nations as a whole through its most fundamental organ, which is the General Assembly. Furthermore, it is not sufficient to submit the findings and conclusions of our Conference. We must suggest definite steps to be undertaken towards the betterment of international economic relations and the development of international trade. Our Conference is a non-governmental meeting and lacks executive power to carry through its recommendations. Nor does it aspire to substitute itself in any way for existing governmental or inter-governmental organizations. We therefore should suggest to the General Assembly of the United Nations to call an Intergovernmental Conference for the Promotion of World Trade. Only such a Conference of government representatives held under the auspices of the United Nations will command the power and authority to take effective steps to remove the obstacles which today obstruct international trade and to promote the resumption and development of healthy trade relations throughout the world.

There is widespread agreement among participants of the Working Group that a new nongovernmental International Economic Conference like our present one should be called, and that an International Committee to prepare it and possibly engage in other activities for the promotion of international trade should be established.

Here again I should like to make a concrete and precise proposal. The proposal is to establish a Committee for the Promotion of International Trade. This committee should study the findings and suggestions made at our Conference with a view to making them known to the widest possible circles of business and economic opinion. It should also issue a Bulletin continuing the exchange of information so successfully begun at our present Conference. And, finally, the Committee should be charged with determining

the date and venue of a new International Economic Conference and doing the preparatory work for it.

Finally, before finishing our Conference we have to issue a communique indicating the

findings and results of our Conference and its main suggestions.

These, Ladies and Gentlemen, are the concrete proposals which I should like to make in conclusion of the debates and sugges-

tions of the Working Group. I hope that you will consider them and adopt them as further steps on the road of international cooperation for the development of international trade. (Applause.)

Report by M. Pierre Lebrun

Mr. Chairman, Ladies and Gentlemen,

The second Working Group discussed the problem of what part international economic cooperation could play in the solution of social problems.

Nearly one hundred delegates attended each of our four meetings; all of them displayed a deep interest in the problem under discussion and took an active part in the work of the group. Most of the delegates are trade union leaders from the countries represented at this Conference.

The first part of our discussion has been reported in the Conference bulletin, and I shall endeavour to supplement this information with a general survey of the debate, or at any rate of the principal questions that emerged.

1. The group unanimously supported the suggestion of its distinguished chairman that special attention be paid to problems of nutrition, or rather to malnutrition, which is having such a disastrous effect on a large segment of the world's population.

2. Most of the speakers dealt also with unemployment, the spread of which is causing justified concern among trade unionists and in economic circles throughout the world.

A significant contribution to our discussion of this and other problems was made

(International Economic Cooperation for the Solution of Social Problems Group)

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by Mr. Kuznetsov, Chairman of the Central Council of Trade Unions of the U.S.S.R. Mr. Kuznetsov reaffirmed Mr. Nesterov's proposals for promoting trade relations between the Soviet Union and capitalist and underdeveloped countries. He described their immense social implications for the solution of the problem of full employment in the capitalist world. He demonstrated that the adoption of the Soviet proposals would mean jobs for 1.5-2 million people for the next three years. They would provide work for over 100,000 in Italy, over 100,000 in France, over 200,000 in Britain, over 100,000 in Western Germany, for tens of thousands in Holland, etc. And this apart from the opportunities created by trade with China, the People's Democracies and the German Democratic Republic, which were so vividly described here by Mr. Lange. His figures fully justify the prediction that in a country like France, for example, normalization and development of trade with the East could completely eliminate unemployment and produce a much healthier atmosphere on the labour market.

3. Much was said in the debate about the social repercussions of rearmament. Essentially, it is difficult to distinguish them from the consequences of the curtailment of trade, for rearmament and reduction of trade are closely linked. It would, however, be correct to say that contraction of trade preceded the present international tensions and, perhaps, helped to aggravate them. It is also indisputable that international frictions are, in turn, helping to cut down world trade. Hence, normalization of world trade would definitely ease international tensions. This is one of the conclusions we arrived at.

The recommendations formulated by our group have been submitted to the Conference. They faithfully reflect urgent and pressing problems which were so vividly discussed at the Conference. In drawing up the recommendations, we were guided by a desire to extend the area of agreement not only in our own group and at the Conference generally, but among economic and public circles throughout the world. We request that you consider these recommendations and instruct the Presiding Committee to integrate them in the decisions and recommendations that will be adopted by the Conference. (Applause.)

Report by Mr. Gyan Chand

Mr. President and fellow delegates,

It is proposed to give a general review of the important points which emerged in the course of the discussion of the problems of the underdeveloped countries in relation to world trade. Recommendations made by individuals and delegations, jointly or separately, are transmitted to the Plenary Session appendices to this Report.

The masses, particularly in underdeveloped countries, are suffering acutely from poverty and disease, and their position, besides being a source of political and economic instability and insecurity, is a challenge to the social conscience of the world and calls for concerted action on the part of underdeveloped countries and the more developed countries. This action, however, can be promoted and become fruitful if all nations—especially those

(Chairman, Underdeveloped Countries Group)

♦ ♦

which count in international affairs—follow a policy of peace and utilize their surplus resources, higher technique and experience in the interest of peace rather than preparation for war and contribute materially to the rapid development of the underdeveloped countries. This is essential in the interests of peace, prosperity and the future well-being of mankind as a whole.

Basically, conditions and problems of the underdeveloped countries, broadly speaking, are about the same.

They are mainly agricultural countries whose agrarian economy has a repressive effect

on their economic advance. Closely related to the agrarian system of these countries is their backward agricultural technique which is a common feature of their economic life.

A fundamental prerequisite of sound and rapid economic development of these countries is modernization of their agrarian economy and rationalization of agriculture. Fulfilment of this need is necessarily more a matter of national policy than of international action; but in view of its fundamental importance, it is very necessary that nothing should be done internationally to retard basic economic transformation in this respect and international experience as far as possible be fully utilized to contribute to and accelerate this process.

Development of agriculture and industry on these lines carries with it the necessity of trade without discrimination.

At present the trade of the underdeveloped countries both in its direction and composition is the result of historical circumstances, economic dominance of the stronger countries and restrictive trade practices, which have grown in volume and intensity owing to the growing international economic tension. It is in the interest of the underdeveloped countries that the latter should be eased.

Restrictive practices which are distorting their entire economic life should be abandoned. The trade of these countries has to be organized primarily in the interest of the people of these countries and has to be related to their basic economic and social needs and long-term interests. The paramountcy of price differentials and economic ascendancy of the more advanced countries need to be consciously counteracted by due regard for the social purpose of all trade, which must be made reciprocally advantageous and mutually beneficial.

Trade has to be organized as an instrument of mutual aid; and if this object is to be realized, the trade of the underdeveloped countries should be diversified and its basis broadened.

The more advanced countries have a clear duty and obligation in this respect and it is necessary that they should discharge it well in the interest of world harmony and therefore their own long-term interest. Any trade practices which impair the economic independence of the underdeveloped countries are essentially baneful and it is of the highest importance that the economic autonomy and integrity of these countries should be fully preserved.

At present the underdeveloped countries are labouring under serious disadvantages owing to the control of the strategic centres of their economic life by foreign interests. This control is due to:

- a) the ownership and control of their basic natural resources and major industries by foreigners,
- b) their external trade and the co-related banking agencies being almost entirely in the hands of foreigners, and
- c) shipping being controlled by a few countries and international cartels.

This control inhibits the natural economic progress of these countries, necessarily involves disregard of their vital interests and creates a state of dependence incompatible with their true economic freedom. This state of things has to be changed and each nation has to be placed in a position to shape its own economic destiny.

These countries have pressing needs for capital goods which either are not satisfied at all at present or are partially satisfied at the cost of their economic independence. Though private foreign investments may, if they can be subjected to rigorous conditions in the interest of underdeveloped countries, contribute to their development within certain limits, in connection with the present world situation these countries have to rely mainly upon the mobilization of their own capital resources through the evolution of new techniques of social investment, the utilization of their idle human resources, and to obtain short- and long-term credit without incurring onerous obligations and also, within the limits of the resources of the advanced countries, unilateral aid.

New organs for the discharge of these functions have to be created and developed; and, if possible, the existing international agencies have to be used for the purpose.

Urgent as the capital requirements of these countries are—this is a point, gentlemen, which I would specially emphasize—the disposition to regard them as the most important limiting factor in the development of backward countries has to be deprecated. If these countries can bring into play new social incentives and set free creative forces inherent in the existing situation, the need for capital formation would not be the formidable problem it is often made out to be. Contemporary experience of a number of countries bears out the conclusion that, given the social will to action, capital requirements of the underdeveloped countries are capable of being satisfied through their own initiative within a very large measure.

The economic life of these countries acquires a specially precarious quality owing to their being particularly sensitive to fluctuations of prices and demands originating too often in international speculation. This is due to their dependence upon a few markets for their exports and imports, their weak bargaining position and staying power and limited financial resources.

Trade without discrimination would reduce their disadvantage in this respect, and probably coordinated action on a regional basis would go some way to give them a position of equality in relation to their more powerful customers.

Terms of trade are fairly often very unfavourable for these countries and cannot be improved without concerted action. It is necessary to create for the trade of these

countries conditions of relative stability and security, and they have to be placed in a position to take defensive measures against adverse forces and circumstances. At present they have no insurance against these risks and are in no position to provide it. They have to act with a clear understanding of the nature of the risks to which they are exposed and devise measures for mutual insurance.

International action in this field is obviously called for and has to be promoted.

Provision of technical experts and technical training of the personnel of the backward countries is another condition which at present is being exploited to their disadvantage. It is necessary to create a common pool of technical experience which can be drawn upon according to the relative needs of the underdeveloped countries and an international schedule of priorities.

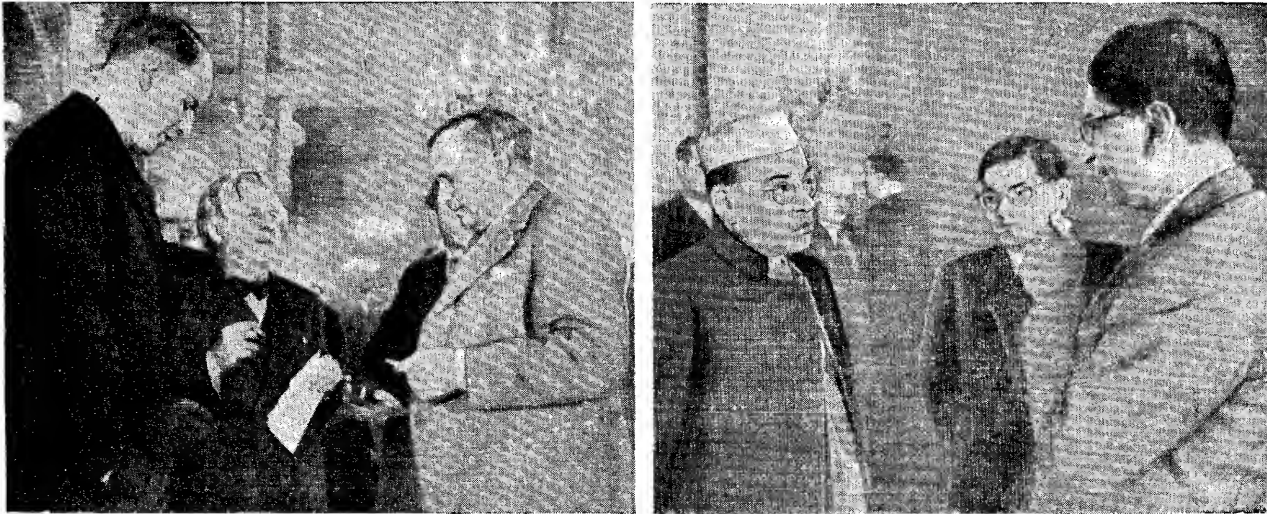
Expert experience and knowledge are available in a number of countries and it is in the interests of world solidarity that it should be fully drawn upon from all sources and allocated on a rational basis.

For training of the youth of the backward countries it is necessary that the needs of these countries should be given their due weight and they should have access to the most advanced knowledge and practice of the developed countries. The atmosphere of secrecy in which the available technique, knowledge and experience are at present enveloped is due to economic parochialism, which is inconsistent with the essential requirements of genuine international cooperation and should be dissipated.

The developed countries owe an imperative duty to the underdeveloped countries; but the underdeveloped countries owe even a greater duty to themselves. They have to awaken to the reality of their situation, pool their resources, experience and capacity for action for common needs and common ends. They are to proceed on the basis of complementarity rather than competition and realize that in the last analysis their economic salvation lies in their own hands. What they can do for themselves is of far greater importance than what the developed countries can do for them.

This for them is and should be a call to cooperative action and a basis for the faith that they can and will make their own future.

Thank you, gentlemen. (Applause.)



In the Conference Lobby

This material procured by
Central Intelligence Agency

Meeting of the Contacts Bureau

A meeting of the Contacts Bureau, set up at the suggestion of many of the Conference delegations, was held in the afternoon of April 9.

Mr. Jack Perry (Britain), who was in the chair, suggested that the Bureau consider how it could facilitate the conclusion of transactions between representatives from different countries.

Opinions were expressed by Mr. Edmund von Henke, President of the American Electric Welding Corporation, Chicago; Mr. Gerrit Husslage, director of a Netherlands export firm; A. Zakharov, Deputy Minister of Foreign Trade of the U.S.S.R.; Mr. Otakar Pohl, Director-General of the Czechoslovak State Bank; Mr. Jamal Shirinlou, director of the TSA Company (Iran); Herr Kúrt Gregor, Deputy Minister of Foreign Trade of the German Democratic Republic; Mr. Michael M. Freeman, director of a confectionery firm, Canada, and others.

At the suggestion of the Chairman, Bureau members reported transactions concluded to date and gave their views on what could be done to facilitate trade negotiations. This was discussed, among others, by Messrs. Husslage, von Henke, Shirinlou, A. Zakharov (Soviet Union) and Otakar Pohl (Czechoslovakia).

A. Zakharov told the meeting that information received by the Secretariat showed

that approximately 170 firms were represented at the Conference, and Soviet commercial organizations were already negotiating with 95 of them with a view to concluding transactions. They were desirous of contacting the representatives of all the other firms.

The Soviet spokesman indicated that two types of transactions had emerged from these talks—deals between individual firms and group transactions involving several firms. Experience has shown that the latter type is preferable since it simplifies payments arrangements, especially in view of the fact that many of the transactions cover both exports and imports.

It was suggested that business talks con-

tinue throughout April 10 and 11 from 10 a.m. to 7 p.m. in the Trade Union House rooms which could be designated for this purpose by the Conference Secretariat. A. Zakharov said that representatives of all Soviet foreign trade organizations would be available at Trade Union House during these hours.

The proposal was seconded by Otakar Pohl, who told the meeting that Czechoslovak business representatives were at present negotiating with representatives of West-European, Latin American and South-east Asian firms and that they had agreed to continue negotiations in Trade Union House, an arrangement convenient to all delegations.

The proposal was also supported by Mr. Shirinlou (Iran) and Herr K. Gregor (G.D.R.), and it was agreed that the talks would be resumed at 10 a.m. on April 10 in Trade Union House.

The Bureau agreed to Mr. Jack Perry's suggestion to appoint a subcommittee of representatives from the U.S.S.R., the Chinese People's Republic, Great Britain, India and Brazil to sum up all trade transactions concluded and to draft a statement on the subject for the Plenary Session of the International Economic Conference.

ANNOUNCEMENT

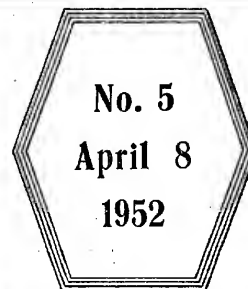
The Business Transactions Bureau hereby informs all participants in the International Economic Conference that business transactions may be concluded at the Conference headquarters on April 10 and 11 from 10 a.m. to 1 p.m. and from 3 p.m. to 7 p.m. (Moscow time).

All Soviet trade organizations will have their representatives at the Bureau.

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INFORMATION BULLETIN

Conference Diary

The Working Groups of the International Economic Conference continued their work in the afternoon of April 7.

The speakers at the afternoon meetings of the International Trade Group were **Mr. A. Wolynski**, Director of a Department in the Polish Ministry of Foreign Trade; **J. Dobretsberger**, Professor of Economics at the Law School of the University of Gratz (Austria); the economist **T. Vladigerov** (Bulgaria); **S. Rozen**, a member of the Central Committee of the Agricultural Workers' Union of Israel; **M. Haroun**, director of Haroun & Sons; **M. Silverman**, a member of the Executive Committee of the Carpenters' Union in Philadelphia (U.S.A.), and **Hitendra Narayan Chaudhury**, a representative of Diamond Pictures, Ltd. (India).

The speakers in the discussion disclosed new possibilities for expanding world trade. Thus, the Polish delegate, Mr. Wolynski, declared that Poland can now easily satisfy the coal demand of almost the whole of Northern Europe. Poland could increase her volume of trade with Sweden and Finland by 50 per cent and double her volume of trade with Denmark. The Bulgarian representative, Mr. Vladigerov, spoke of the real possibilities for expanding trade with Austria, Italy, Switzerland, France, Germany and other countries. Mr. Chaudhury of India said that business circles in his country are highly interested in wider trade with the Soviet Union.

At the same time many speakers mentioned the fact that the policy of discriminations in international trade hinders the development of commercial relations between countries. The Austrian representative, Mr. Dobretsberger, made special reference to the fact that the pressure exerted upon his country deprives Austria of freedom of economic development and reduces her to the position of a supplier of raw materials and semimanufactures.

At its afternoon session, the Group elected a Committee for examining the results of its work and preparing proposals for the Plenary Session of the International Economic Conference. The Committee includes, in addition to the Chairman and Vice-Chairman of the Group, also **Mr. Perry** (Great Britain), **Herr Dobretsberger** (Austria), **Mr. Lalchand Hirachand** (India) and **Mr. Ricardo Emilio Olivari** (Argentina).

The afternoon session of the International Economic Cooperation Group for the Solution of Social Problems opened with the speech of **Mr. G. Wynn**, a British trade union leader. The next to speak were **Mr. Iscaro** (Argentina); General Secretary of the United Progressive Unions of Holland **Mr. Bertus Brandsen**; the Austrian manufacturer **Herr J. Schachner**; **Mr. Ben-Dori**, a

member of the executive committee of the Histadrut Union (Israel); **Mr. M. Chaudhury**, a landlord and Member of Parliament (Pakistan); **Mr. D. Dimitrov**, director general of "Chemical Imports" (Bulgaria); **Mr. Prem Sagar Gupta**, Secretary of the All-India Trade Union Congress; **Mr. F. Runturambi**, Indonesian trade union leader; **Herr Otto Proksch**, director of a flat glass factory at Rottingen (West Germany), and the well-known economist **Mr. Jurgen Kuczynski** (German Democratic Republic).

The speeches of the trade unionists and of the businessmen contained convincing proof to the effect that the burning social problems confronting a number of countries—employment, housing and food supply—can be solved, provided everything is done to promote the development of international trade and to raise production on this basis.

The Group elected an editorial committee for preparing recommendations to be laid before the Plenary Session of the International Economic Conference.

The afternoon meeting of the Underdeveloped Countries Group was addressed by **Professor Stefan Ignar** of the Higher School of Agriculture (Poland); the economist **J. Fuchs** (Argentina); **J. H. Bouchaud**, representative of the General Confederation of Labour (CGT) of France; **T. Ahmed Khan**, editor of the "Imroz" (Pakistan); **U Kyaw Min**, director of the Central Bank of Commerce (Burma); the economist **K. Economides** (Cyprus), and Messrs. **M. Miller** and **M. Hancock** of Canada.

The most essential condition for the economic advancement of the underdeveloped countries is the development of their national industries and reorganization of agriculture—this was the idea emphasized by almost all the speakers. The speakers at the meeting of the Group analyzed problems of international trade from this point of view and declared that the more advanced industrial countries should render substantial assistance to the underdeveloped countries through deliveries of equipment on acceptable terms.

The last at the afternoon meeting, **Mr. Gyan Chand**, Chairman of the Group, briefly summed up some of the results of the discussion and asked the delegates to give their consideration to the questions which should be included in the recommendations to the Plenary Session of the International Economic Conference.

CONFERENCE DIARY

The Information Bulletin is published in the English, Russian, French, and German languages.

SECRET

DEVELOPMENT OF INTERNATIONAL TRADE GROUP

EVENING SITTING, APRIL 7

Mr. A. Wolynski (POLAND)

At the present time Poland is in a position, said Mr. Wolynski to satisfy the coal requirements of almost all countries of Northern Europe, which would have the opportunity of covering such imports, in part or as a whole, by supplying Poland with the goods she needs.

The countries of Northern Europe would have the additional advantage of using Polish ports for transit shipments to Czechoslovakia, Hungary and Rumania, since ships sent for coal cargoes could be fully utilized for carrying iron ores and other cargoes consigned to Poland or in transit to other countries.

Between 1946 and 1949 Poland placed orders in Sweden for machines and other industrial equipment amounting to approximately 500 million Swedish crowns. If Sweden had increased her deliveries of commodities that Poland needs, Poland could have enlarged her coal deliveries to Sweden up to four million tons a year and could have raised other commodity exports 50 per cent above the present level.

The current volume of trade with Denmark could be doubled. Poland could let Denmark have 2.5 million tons of her coal, calcined and caustic soda, zinc white and products of her cement works in an amount up to 20 million Danish crowns a year, also fodder grain and other goods, importing from Denmark chemicals and pharmaceutical goods, woollen rags, fatty acids and a number of transit goods. Poland could use Danish wharfs for building and repairing sea-going vessels representing a value of 50 million crowns a year.

Poland is eager to utilize Danish marine transport services, which makes it easier for Denmark to balance her payments account.

Mr. Wolynski then noted that Poland's trade with Norway experienced a considerable drop in 1950-51 as against 1949, and that in exchange for barite, aluminium, iron ore, cod liver oil and other goods, Poland might deliver to Norway during the period of 1953-55 about one million tons of coal, chemicals, sugar, grain and other goods representing a value of 80-100 million Norwegian crowns a year.

The volume of trade between Poland and Finland is growing and is to exceed 60 million dollars in the current year. Nevertheless

there are possibilities of still further increasing this volume.

Trade with Great Britain could be expanded at least 50 per cent during the next three years. Poland could raise annual deliveries of bacon to 60,000 tons, hams to 5,000 tons, killed poultry to 10,000 tons, tinned meat to 6,000 tons. Poland could supply England with 400 million eggs, considerable amounts of timber, sugar, fodder and other goods, at the same time increasing imports from England of industrial and transport equipment to 10-15 million pounds sterling a year, of such traditional raw materials as rubber, wool and tin as well as of tin plate, dyes and tyres.

Poland could increase her coal shipments to France up to 2.5 or 3 million tons a year. She could supply as much as 50,000 tons of fodder; also timber, chemicals and other goods, importing from France industrial equipment and transport equipment amounting to 20-25 million dollars a year, aluminium, rolled iron, phosphorite, wool and woollen rags, pharmaceutical goods and some foodstuffs.

The present volume of trade with Italy could be trebled by increasing shipments of coal to that country up to 2.5-3 million tons a year, as well as of grain, sugar, meat, eggs, chemicals and other goods, importing from Italy equipment for the engineering and shipbuilding industries, and using Italian wharfs for the building of new ships and for repairs. Poland is interested in obtaining from Italy artificial fibre, ball bearings, automobile tyres, dyes, zinc concentrates and other commodities.

Mr. Wolynski went on to say that trade between Poland and Western Germany, Austria, Belgium, the Netherlands and Switzerland could be increased two or three times over provided deliveries are increased by both sides.

The development of Poland's shipping, he said, facilitates her trade with non-European countries. Poland has already established trade with Indonesia, Pakistan, India, Egypt, Turkey and Israel. At the present time negotiations are going on with Iran and through various firms she trades with other countries of Asia and also with Africa. These ties can be extended and strengthened since Poland is interested in importing cotton from Egypt, Pakistan, India, Syria and Arabia; jute from Pakistan, rubber, tea and tin from Indonesia;

petroleum from Iran, hides from Pakistan, India and Iran; copper from Turkey, and other raw materials and foodstuffs produced in this zone, such as tobacco, coffee, tea, southern fruits, etc.

On the other hand, Poland can export to these countries steam locomotives and railway cars, machinery, agricultural equipment, various equipment for light industry, particularly looms, metal- and woodworking lathes, tools, metal products as well as coal, timber, glass, technical and household crockery, a large assortment of chemicals and other commodities.

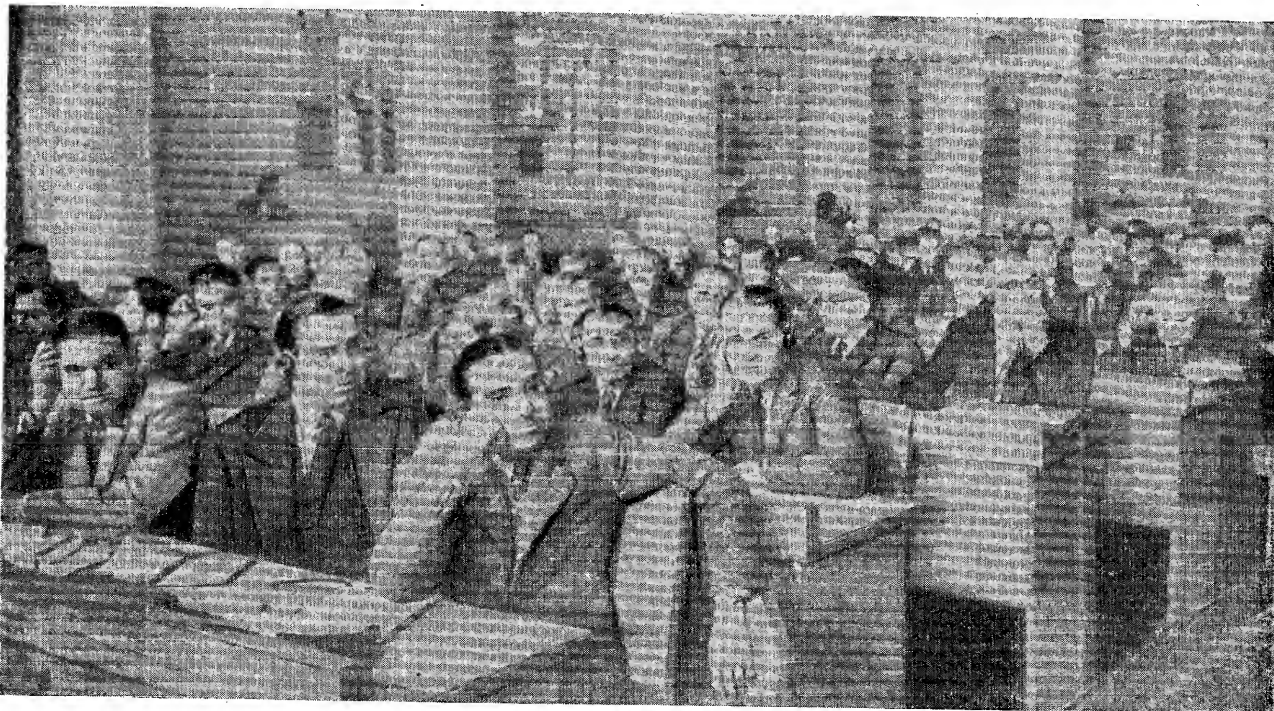
In conclusion Mr. Wolynski expressed his conviction that the negotiations which the Polish delegation has begun with many countries will lead to brisker trade with these countries, a guarantee of which he saw in the fact that during the course of this Conference Poland had already transacted much business. (Applause.)

Herr J. Dobretsberger (AUSTRIA)

Among the many obstacles now hindering the development of the international trade, said Herr Dobretsberger, I would like to point to one of particular concern to the small countries of West and Central Europe. The mechanism of the U.S.A. aid has led to the economic structure of these countries being diverted from its natural basis and being completely switched over to satisfying the requirements of the great Western powers and their armaments programs. In this way the small countries are losing their economic and commercial freedom.

This also refers to Austria, a country that formerly exported manufactured goods and imported raw materials, but which now has been reduced to the position of supplying the Western countries with raw materials and semimanufactured goods, whereas its own industries are not working at full pressure. This has led to a steady decline in real incomes, while output figures are on the increase.

This development entails such paradoxical phenomena as that iron is being exported from Austria, while we ourselves must buy it abroad at double the price. Our forests are being ruthlessly cut down and our timber exported, while our fields are being turned into deserts and our sawmills are idle. This switching of our economy to the export of raw materials has also changed the direction of our foreign trade. Austria now has no trade agreement with the Soviet Union, though previously the Eastern countries were our traditional trading partners.



Working Group for the Development of International Trade in Session

This one-sided switching of our foreign trade to the West is giving rise in the small countries to all the phenomena now typical of the West-European powers, namely: adverse balance of dollar payments, which can only be eliminated by further aid deliveries; inflationary increase of prices on the home market, which hinders exports; steady reduction of capital formation and even the flight of capital to solid currency countries, and as a consequence, the steady reduction of living standards connected with growing unemployment.

In face of these harmful consequences of the now existing economic blocs the Austrian delegation submits the following resolution to this Section in the hope that it will meet with the support of those European delegations whose countries are in an analogous situation:

"Where commercial, credit, and currency agreements are concluded between big and small countries, steps must be taken to ensure that the small nations fully retain objective freedom of action in economic matters, and that no commitments are introduced which compel them to sell only to certain definite countries. They must be free to dispose of their wares to the countries that yield them the most favourable results."

I ask that this proposal be included in the record of our Working Group. (Applause.)

Mr. Todor Vladigerov
(BULGARIA)

The extreme disruption of world trade, Mr. Vladigerov said, is manifested in a sharp decline in foreign trade per capita of the population as compared with the prewar

period, as well as in the increasing lag of the export index behind the production index.

Bulgaria's economic progress as a result of reconstruction of the national economy on socialist, planned principles has brought about an improvement in the living standard of the population and made possible an expansion of foreign trade. In 1951 Bulgaria's imports registered an increase of 81 per cent as compared with 1947; moreover, the main import items were such commodities as machines, equipment, spare parts and raw materials.

Big changes have also taken place in Bulgaria's export trade. The assortment of export commodities has become wider, with an increase in exports of processed as well as crude agricultural produce, products of the woodworking industry, as well as raw and dressed hides. Bulgaria's main export items are grain and industrial crops, including tobacco, for which there is a big demand, Bulgarian fresh fruit and vegetables also have a good market abroad.

At the present time Bulgaria is interested in foreign trade with those countries which can assure mutually-advantageous terms and can best satisfy her import requirements. First place in this respect is held by the U.S.S.R., which has displayed a deep understanding of Bulgaria's economic problems and is rendering her fraternal aid.

Since the end of the Second World War the Bulgarian People's Republic has worked not only to restore her international trade which was disrupted by the war but also to expand it as much as possible. Since 1946 Bulgaria has signed trade agreements with Austria, Italy, Switzerland, France, Belgium, Holland, Western Germany, Sweden, Denmark, Finland, Argentina and other coun-

tries. Her trade with Britain, Israel, Iran, Syria and Malta is based on private transactions unregulated by overall agreements. However, these agreements have not justified themselves, the main reason being the discriminatory policy in foreign trade which is pursued by a number of West-European countries under pressure from the United States.

In its discriminatory policy in the sphere of foreign trade the United States has endeavoured in every way to stop West-European exports both of strategic commodities and raw materials as well as of all other types of goods, including civilian consumer goods.

Between 1949 and 1952 there have been more than 50 cases of discrimination against Bulgaria.

These discriminatory practices created a number of difficulties for Bulgaria, but they were of a temporary nature and did not halt the country's economic development. In 1951 the five-year plan was fulfilled 100 per cent. The inviolable economic ties with the Soviet Union, the People's Democracies and the German Democratic Republic helped Bulgaria to overcome her difficulties.

We consider it necessary, Mr. Vladigerov said, to restore traditional trade first and foremost with such countries as Austria, China, Switzerland and Britain; moreover, not merely to regain the previous level, but to exceed it. There are possibilities for increasing Bulgaria's trade with Western Germany, which would be advantageous to both sides.

Between 1953 and 1955 Bulgaria could import from the countries of Western Europe, namely, from Austria, Italy, Western Germany, Sweden, Denmark and others,

various goods averaging 200 million rubles a year, of which about 70 million rubles would be accounted for by machinery, equipment, spare parts, medicaments and other commodities. In 1952 Bulgaria could import 105 million rubles' worth of the above-mentioned commodities.

Speaking of what Bulgaria could offer her partners in return for these goods, Mr. Vladigerov listed her superior agricultural produce. Bulgarian grain, fodder, fruit, vegetables, tobacco and poultry were in big demand before the war in Austria, Italy, Germany and Switzerland; rose oil was in demand in France, etc. Today the quality of these goods is even higher than it was before.

This year Bulgaria could export grain, fodder, tobacco, fresh fruit, vegetables, eggs and other produce to the West-European countries. Between 1953 and 1955 the average annual export of grains could comprise 150,000 tons; of fruit and vegetables, 70-80,000 tons; tobacco, 50,000 tons; 70 million eggs, and so on.

Bulgaria is in a position to export and import various manufactured articles as well. Her planned economy is a guarantee that she can carry on a steady trade in a wide range of goods. Bulgaria is prepared to maintain constant trade relations with all countries provided these relations are based on equality and recognition of mutual interests.

The Bulgarian delegation proposes the following:

Restoration of normal economic relations among all countries. The conduct of trade regardless of the political structure of countries and on a basis of equality and respect for sovereignty. Abolition of discriminatory practices in foreign trade.

World-wide distribution of raw materials in conformity with each country's needs. Removal of all existing obstacles to achievement of this aim.

Creation of normal conditions for the conclusion of treaties between commercial and manufacturing enterprises of various countries, with a view to guaranteeing fulfillment of commitments.

Facilitation of transportation of commodities through the introduction of obligatory uniform railway rates or the conclusion of bilateral and tripartite agreements without infringing upon the interests of other countries.

Guarantee of unrestricted transit shipments, with a reduction in transportation costs for this purpose. (Applause.)

Mr. S. Rozen

(ISRAEL)

Mr. Rozen began by thanking the Soviet Union and the People's Democracies for the assistance they had given Israel in her early years. A friend in need is a friend indeed, and the broad masses of Israel would keep ever fresh in their minds and hearts the memory of the help they had received from the Soviet Union and People's Democracies.

Mr. Rozen described Israel as an economically weak country. Her balance of payments is sharply adverse. In order to feed her growing population and ensure a high standard of living she must irrigate her semiarid areas and develop the production of potash, bromine, peat, oil, various ores and other resources.

Israel stands in need of various foodstuffs and industrial goods, of industrial raw materials and fuel. She is suffering from an acute shortage of foreign currencies and this is forcing down the exchange rate of her own currency, lowering the living standards of her working people, increasing her economic and political dependence upon the dollar area countries.

We cannot, Mr. Rozen continued, go on receiving 96-97 per cent of our imports from the West, from the countries where private initiative prevails. The Soviet Union and the People's Democracies lie nearer to us and there is no reason why we should continue to import grain and timber from Canada or oil from Venezuela when we can obtain these products from nearer sources.

Ever since the beginning of the war in Korea and the armaments drive in the West we have been finding it harder and harder to buy agricultural and industrial machinery, irrigation pipes, and industrial raw materials. Because of this, part of our industries are paralyzed; we are drawing on only approximately half of our production potential.

Mr. Rozen said that it was vital to Israel to increase her export trade. At present she exports bananas, oranges and other citrus fruit, wine, extracts for the perfume industry, diamonds, woollen and other textile goods, footwear and leather goods, drills, surgical instruments and pharmaceutical products. With their large population and steadily rising standard of living, the Soviet Union and the People's Democracies could make good market for our growing export trade and help to vitalize our economy. Equally, they could satisfy our need for foodstuffs, raw materials and machinery.

Development of normal business and trade with the Soviet Union and the People's Democracies is of vital importance to Israel. The state of Israel, which must as yet be classed among the underdeveloped countries, stands in need of healthy commercial intercourse and additional capital for economic development.

In conclusion Mr. Rozen expressed the wish that the present Conference would set up bodies to facilitate the further development of commercial relations for the well-being and happiness of the people and the preservation of peace. (Applause.)

Mr. M. Haroun

(PAKISTAN)

Mr. Haroun spoke of Pakistan's export potentialities and import requirements. Pakistan's mineral resources are still insufficiently developed nor can they be properly exploited without the necessary outlay and effort.

Pakistan has considerable reserves of coal. Her chromium deposits are the second largest in the world, but they cannot be exploited because the country is without the technicians, industrialists and capital required.

I am appealing, Mr. Haroun said, to the more developed countries for assistance in promoting this branch of industry which is so imperative for the technical progress of the entire world. I am ready to discuss ways of achieving the best solution with all interested parties.

In this connection I would like to refer to a statement by our Government about foreign investments. This statement proves that Pakistan wants to develop her industry in friendly cooperation with the more advanced countries.

Briefly my proposals can be summed up as follows:

Foreign capital investments on a basis of equality; 50 per cent of the industrial output will for 10 years go to the country investing capital in exchange for technical assistance and the capital investments.

We consider that these conditions should cover all import goods from countries whose governments agree to the above terms. (Applause.)

Mr. M. Silverman

(U. S. A.)

I am an American worker participating in this Conference to bring the view of the American working class into our discussion, Mr. Silverman said.

Unemployment in the United States is increasing. In 1951 there were mass layoffs in the textile industry. Less funds are available for housing construction and the number of houses being built has been cut drastically. The construction of new schools and more hospitals is being postponed in connection with the rearmament program. Many building workers are without jobs and the position is getting worse all the time.

In the automobile industry, production in January this year was 43 per cent lower than in January 1951, and during the same period 111,000 auto workers lost their jobs.

The cost of living, according to official government figures, has gone up 10 per cent last year. Rearmament has led to higher direct and indirect taxes and has cut

the purchasing capacity of the American worker; his living standards are being reduced all the time.

We are working for a cut in armaments expenditures and for using the money thus released for peace purposes—to raise the living standards of the American and all other peoples.

We want to see free trade revived throughout the world so that American goods can be supplied to all who need them.

The present state of affairs is leading to mass bankruptcies. Many American business firms are feeling the effects of curtailed international trade, and if this goes on we may find ourselves in a new economic crisis with all the hardships it will entail for the American and other peoples.

East-West trade must be resumed, there must be a free flow of trade in the world. This will help to consolidate peace.

Let our two systems compete on a peaceful basis. This will help to increase living standards. (Applause.)

**Mr. Hitendra Narayan
Chaudhury**
(INDIA)

As a spokesman of the Indian business community, I wish to enumerate some of the difficulties that business people in our country are encountering.

Roughly 70 per cent of India's foreign trade is with the United Kingdom and the United States. India relies for her supplies on these two countries, but we are determined to pursue an independent policy and promote cooperation between the two camps.

Of the Eastern countries I will mention only the Soviet Union because neither in the past nor in the present has our trade with it been extensive.

India has launched on a broad construction program. We are building power plants and we hope to receive equipment from other countries. Deliveries from Britain are comparatively slow, and I know that the Soviet Union could let us have the required equipment sooner.

The main thing, however, is for the countries in a position to sell us equipment to take the initiative. Britain and America have been doing business with India for many years and they are never slow to show initiative, make proposals and set up trade organizations. The Soviet Union has not been doing that so far, but I believe that it should be possible in the future. It is important to establish confidence between our two countries.

We require long-term credits to enliven our trade. India has a surplus of certain

commodities, for example, manganese, but most of it is exported to the United States. The Soviet Union may not require manganese, but it does require other commodities, and I could name a long list of things that could be exported to the U.S.S.R.

India has next to no mercantile marine, and in many cases this prevents us from selling our goods to other countries, because shipping is monopolized by a few nations. This Conference could work out measures to help the underdeveloped countries obtain shipping facilities for their exports.

Before the war India did a good deal of business with Czechoslovakia, and it was resumed after the war. We are not trading with Eastern Germany but I am sure that as soon as the G.D.R. is able to establish contact with India we will be prepared to buy her goods.

An industrial exhibition was held in India recently and many Soviet manufactures were on display. Our people could see that the Soviet Union produces a very wide range of high-quality industrial machinery.

If new attempts are made by countries in a position to buy, if they show some initiative in doing business with us, much more could be accomplished and they will find us ready to sell our goods. (Applause.)

INTERNATIONAL ECONOMIC COOPERATION FOR THE SOLUTION OF SOCIAL PROBLEMS GROUP

EVENING SITTING, APRIL 7

Mr. H. W. Wynn
(GREAT BRITAIN)

Mr. Wynn began his speech by saying that he wished to dwell on the problem of unemployment. It is this question, said the speaker, that brings fear into the hearts of millions of working men and women in my country as it does in other countries.

In the opinion of Mr. Wynn, the chief causes of unemployment are: wrong economic policies pursued by governments, such as abnormal restriction upon international trade arising from political reasons; restricted economic activities arising out of rising production of war materials; the unequal economic development of countries causing permanently low standards of living, thereby restricting the purchasing capacity of millions of people in the so-called backward countries of the world; and constantly rising prices in certain countries which bring about exchange difficulties and tend to unbalance trade relationship between nations.

The speaker went on to say that the question of political restriction of trade between nations is a very serious one, and its effect on employment has now reached serious levels. East-West trade is restricted to a lower volume than before the war. But we are told by the Soviet Representative that the trade possibilities are now enormously greater. The Chinese Representative also tells us of distinct possibilities of increased trade with them. It will be a crime on the British workers if any opportunity is lost to increase our trade with these countries.

It is for these reasons that I propose that this Working Group call upon all governments to remove all political restrictions upon trade between nations, and also that all nations set themselves the task of increasing trade between each other by 50 per cent in the next years.

It is also necessary to work for restriction of war production. I am sure we all agree, said the speaker, that if increases in war

production continue they will have a very harmful effect upon the standard of living of all workers in all countries.

I will give one example. Because of the divergence of steel to armament production, my country is having to restrict the supply of steel to consumer goods industries such as the motor car and bicycle industry. This, he said, is causing unemployment in many parts of Britain.

If every nation would reduce the amount spent on armaments by one third and devote the money to raising the workers' standard of living, it could remove the possibilities of unemployment for a long time.

As regards the economically backward countries, it is sufficient to say that the solution of this problem can have a marked effect upon expanding world trade and can therefore be of considerable assistance in creating full employment.

The question of rising prices in individual countries and its effect upon trade and em-

ployment is a complex one and I hope the economists present will throw some light upon it. But we trade unionists are very concerned when governments do not worry about rising prices and only call upon the workers to forego their proper wage claims.

The speaker concluded by suggesting that the proposals put forward by him be considered, and expressed the hope that these proposals will help in eliminating unemployment. (Applause.)

Mr. G. Iscaro

(ARGENTINA)

Mr. Iscaro began his speech by saying that as soon as the working people of Argentina learn of the aims and conclusions arrived at by the International Economic Conference, they will express their ardent support, especially now that the economic crisis becomes particularly telling. The working class of Argentina has been hard hit by the consequences of the discriminations and restrictions in world trade. Discrimination in trade is imposed by the reactionary forces—by the national and foreign monopolies which impede the economic development of the country. It is a matter of general knowledge that the results of this policy affect the living conditions of the working people and lead to a drop in wages, housing shortages, unemployment, malnutrition and restrictions of social legislation.

Malnutrition is a chronic evil which preys upon a large section of the population in our country. The result is constant disease which reduces the span of human life and makes people unfit for the process of production.

The speaker cited numerous facts and figures to illustrate the decline in production as a result of the shrinking volume of world trade, and, in particular, the decline in output in the textile, meat packing, metalworking, garment and other industries. For example, if the metallurgical industry is to be saved from the paralysis which has been developing since the beginning of 1952, the country must receive raw materials, and, chiefly, pig iron, sheet iron, zinc, copper and aluminium. Big steel mills have discontinued the production of tubes owing to the shortage of pig iron and they are dismissing large numbers of workers. It is proposed to solve this problem by compelling the jobless workers of peasant origin to return to the villages where unemployment is still more widespread owing to the marked decline in agricultural production. Although Argentina has rich deposits of fuel and ore which could meet all her demands, she cannot raise the production of ore and fuels because she lacks an adequate amount of equipment.

How can production be raised? asked the speaker. There is an opinion current that production can be stepped up by speeding up the workers.

But it has been proved that this inhuman and unprogressive method does not solve the problem of increasing production. Production can be increased on a large scale only by acquiring machines and equipment, by building new factories, by raising the living standard of the working people and improving the working conditions.

The International Economic Conference has brought out the fact that our country could receive machines, tractors, equipment and other necessities for developing industry and raising output, as the Soviet, Czechoslovak and other delegates told us. And, what is especially important to our country, all this can be received without payment in dollars or other foreign currency, because the machines would be paid for in our national currency and exchanged for deliveries of our wool, leather and many other products.

Concretizing all the above-said, I suggest that our Group should ask the Plenary Session of the International Economic Conference to declare that the problems of raising output, promoting the development of national industry and reducing unemployment can be solved on the basis of wide international trade which would make it possible to acquire machines, equipment and raw materials.

Another problem agitating the minds of the Argentine working people is that of raising wages and cutting the cost of living. Precisely in Argentina can we witness the steadily rising cost of living and decline in real wages. This may be seen from the fact that while prices have grown by more than 150 per cent, wages have increased only by 20-30 per cent. In January 1952, an average working class family with two children needed 1,850 pesos a month to cover the cost of the bare necessities, whereas the wage of a skilled worker was no more than 800 pesos a month.

Lastly, on behalf of the Argentine delegation, I propose that our Group should submit for the approval of the Conference the four points advanced by the representative of the World Federation of Trade Unions, Louis Saillant: abolition of discriminations in world trade; development of peaceful production; reduction of military expenditures; the proposal to ask UNO to facilitate the development of peaceful trade and improvements in living standards of the working people. (Applause.)

Mr. Bertus Brandsen

(NETHERLANDS)

After referring to the economic difficulties being experienced by a number of countries, Mr. Brandsen stated that the cause of such difficulties in Holland is undoubtedly the armaments race, to which the interests of the working people are being sacrificed, and which is resulting in the complete disorganization of civilian economy.

The speaker declares that this is proven by a statement of the Netherlands Government made in 1950 in which we read, among other things, that "the total defence expenditure of 900 million gulden is the maximum the country can bear without financial difficulty. Since then, however, war expenditures have increased to 2,000 million gulden. So that at the present time, every Dutch citizen, whether child, adult or aged person, must contribute an average of 4 gulden per week to meet war needs.

The price increases and enhanced taxation have resulted in a rise in the cost of living since the year 1948, when the Marshall Plan began to operate, by 28 per cent for a family of 4 persons, while wages have only increased by 15 per cent. In the same period there has been a decline in the consumption of food of over 10 per cent, while purchases of textiles, footwear and other consumer goods have dropped by not less than 24 per cent. Since 1948, more than 6,028 small peasant farms and commercial undertakings have gone bankrupt. This is indisputable proof that rearmament means poverty for the working people.

Rearmament, however, means not only reduced living standards, but also less housing. At the present time there are more than 300,000 families in Holland without dwellings.

In Holland, continues Mr. Brandsen, the number of unemployed is steadily increasing, and is now in the region of 250,000. Unemployment is mostly rife among agricultural labourers, and also among tailoring, textile, furnishing, leather, and rubber workers. Despite the housing shortage, tens of thousands of building workers are idle.

Trade with other countries would be decisive in creating full employment and improving living standards in our country. The almost entire absence of trade relations with the Soviet Union, the People's Democracies, the German Democratic Republic and China, aggravates the situation, considerably increases unemployment and is seriously undermining the well-being of the working class. The Netherlands Government is pursuing a foreign trade policy which very much reminds one of the newspaper cartoon showing a salesman who sells globes with a tremendous hole in them specially made for those clients who refuse to recognize the existence of the Socialist part of the earth. That is how the Netherlands Government is behaving, too. As a result, Netherlands' exports to the East-European countries in the first half of 1951 amounted in all to 1.5 per cent of the total, while imports from these countries constituted only 2.3 per cent of our total imports. These unsatisfactory trading relations between Holland and the East-European countries are the direct results of the U.S.A. pressure. A graphic example of this is the decision depriving the Rotterdam Transport Company of Van Juden of the right to engage for one year in any trade whatsoever with

America, for the sole reason that this firm delivered to Hungary—and did so quite legally—machines of U.S.A. origin.

Trade with East Europe is, however, of vital importance for our people. This economic Conference has shown that profitable deals can quite well be concluded. In this connection I would like to propose that the already established national initiating committees be retained, if they are not already so, in one form or another, so as to serve as centres for those who desire to engage in trade with East Europe and China on the basis of mutual advantage.

Secondly, it has been proved at this Conference that by improving commercial relations, the conditions can be created for increased employment. To confirm this, I refer to the speech of Mr. Nesterov, the chairman of the Soviet Chamber of Commerce, who stated among other things that the Soviet Union is ready to purchase radio wares and rubber and to order ships from Holland. This would mean that 5,000 workers employed by the firm of Philips, now threatened with dismissal could, if normal trading relations existed, continue in employment. It also means that the threat of unemployment in the engineering industry could be eliminated. If we bear in mind that trading relations between Holland and China are nonexistent, we can clearly see what considerable sources of well-being now lie untapped.

In my opinion this Conference has supplied us with a vast amount of practical material that convincingly proves the tremendous importance of trade among all countries.

This Conference teaches us that armament expenditures must be reduced, while international trade must be extended.

This Conference will lay the basis for a broad front of all those who stand for the following principle: don't shoot, but shake hands and do business! (Applause.)

Herr Julius Schachner

(AUSTRIA)

This morning we hear many proposals on ways and means to improve the living standards of the working people. True, the question of the situation in agriculture received considerably less attention. The speakers have all agreed on one point, namely, that trade without restrictions can liquidate all existing defects. Not a single speaker, however, said what a guarantee for unrestricted trade should consist of. We, the small nations, cannot be these guarantors and that is why we must look for guarantors until we find them.

In Austria we have a splendid social structure, but we lost economic equilibrium because of intensive industrialization. We must export industrial goods to be able to import foodstuffs. We would willingly have retained our political freedom, but this is extraordinarily difficult for a small country. We should have been rendered substantial

assistance if we signed a trade agreement for 10 years without any political restrictions. This would allow us to increase our grain areas to provide ourselves the quantity of agricultural products which we are able to produce.

If we could find a guarantor who could ensure us with unrestricted trade we would be extremely pleased. I would be very happy if on leaving Moscow I would be confident that my hopes are being realized. (Applause.)

Mr. F. Ben-Dori

(ISRAEL)

Elimination of the war psychosis, of the atmosphere of an impending great clash of worlds, is at present the pre-requisite of social progress and an advance in the living standard of the masses. If the peoples fail to make their governments stop the armaments drive and regear to peace, we will be faced with a deterioration in and curtailment of the social gains of the working class, with years of regress.

I speak in the name of a small country, a new state not quite four years old. In the kingdom of death and destruction into which mankind was hurled during the Second World War, in this ocean of misfortune, the burden borne by our people was comparatively great.

Israel is faced with a dual problem: to raise the living standard of the Jews and Arabs who are the old inhabitants of the country, and to provide sources of work and sustenance for the mass of immigrants that have arrived and continue arriving. In the last four years alone more than three-quarters of a million of them have arrived in the country.

We do not regard it our duty at this Conference to express well-meaning wishes or give advice to other nations. We consider it our duty to bring back to our country from this Conference the atmosphere of social responsibility for mankind and its destiny which demands peace, the end of the armaments drive, the establishment of friendship and economic and cultural ties among nations and states.

Constructive labour is the main thing. It is the source of the wealth of the nation and the earnest of its future. We in our country will not be threatened by unemployment and a drop in the living standard if we follow the path of social responsibility and progress. The Jews and the Arab minority and the new immigrants—all can comprise a constructive labour collective. Lands untouched by the plough for centuries await us. Bare mountains await forests and orchards. For this we need tractors, combines and agricultural

implements. Our land contains oil and metals. Our so-called Dead Sea, with its potash, phosphates, sodium and bromine, can become a source of life for many. The opportunities of industry and trade can grow if the stake of certain powers on war schemes is replaced by a peaceful atmosphere and sound relations among states, irrespective of their political aims.

Our Conference must strengthen the atmosphere of peace, normal international relations, economic progress and free trade. (Applause.)

Mr. M. Chaudhury

(PAKISTAN)

The speaker deals with the refugee problem. Under the then existing political situation, millions of people left their homes in India to settle in Pakistan, and vice versa. Never, says Mr. Chaudhury, in the history of my country has anything like this taken place.

The Pakistan Government is endeavouring to settle the refugees from India. It has succeeded in doing so within the bounds of existing possibilities, but complete success depends to a considerable degree on the results of the International Economic Conference.

Even now millions of people are without shelter or living in miserable hovels, due to the housing crisis in Pakistan's big cities. The endless stream of immigrants has brought about such an increase in the population that new house building cannot satisfy their needs. Entire families are compelled to live in single rooms, with serious social and moral consequences. There is an acute shortage of such building materials as timber, brick, cement, corrugated iron, steel, and so on.

That is why Pakistan has to buy these materials in countries which sell them at moderate prices.

But the problem of settling the refugees is not only a matter of providing them with dwellings, it is also one of finding them work.

Several million of the refugees are skilled handicraftsmen but they have been unable in Pakistan to engage in useful activity, because they have neither tools nor other implements, having had to leave them behind, to abandon their homes under rather unusual circumstances.

The Pakistan Government has drawn up plans for settling the immigrant handicraftsmen and workers, but these plans can only be carried into effect when we have the tools, raw materials and machinery above-mentioned and if this machinery is acquired at moderate prices, but this requires the assistance of the industrially-developed countries.

The majority of the refugees, however, are peasants, and to settle them land must be reclaimed. Mr. Chaudhury went on to say. There are large tracts of virgin soil in West Pakistan and Punjab. But the refugees can only be settled if we get the requisite agricultural machinery, build electric power stations for irrigation purposes, and for developing a power supply. The equipment for such power stations is not produced in Pakistan; we have to import it from the countries that produce it.

Here is another sphere where we need international economic cooperation. (Applause.)

Mr. D. Dimitrov

(BULGARIA)

At the beginning of his speech Mr. Dimitrov noted the changes that have taken place in the national economy of Bulgaria during the last seven years. Both agricultural and industrial production have greatly increased.

The material and cultural level of the people of Bulgaria is constantly rising, said Mr. Dimitrov. There is no unemployment in the land; wages and sales are increasing. Extensive housing projects have been undertaken, the network of health institutions is being expanded, and the number of students is growing.

All of this would be impossible, said Mr. Dimitrov, had Bulgaria isolated herself within her borders.

The experience of Bulgaria has confirmed the fact that economic growth is impossible without international cooperation. We cooperate with the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Albania, the German Democratic Republic, and other countries. Following the principle of equality and mutual respect, our country wishes to establish and extend trade with other countries, as for example, with Austria, West Germany, Italy, France, Switzerland, Belgium, Holland, Denmark, the Scandinavian countries, and those of the Near East.

We can export wheat, corn, fodder, oil-seeds, fruit, vegetables, wine, poultry, and eggs in exchange for ferrous and nonferrous metals, machines, electrical equipment, chemicals, medicaments, and other commodities, to the sum of approximately 100 million rubles.

Mr. Dimitrov made a number of suggestions. He would have the Conference recommend: that all discriminatory measures be abolished, assuring normal conditions of trade by unfettered buying and selling; that conditions favourable for the development of trade between countries be created; that there be a transition to civilian production and construction, especially the construction of dwellings, at the expense of war industries; that a just distribution of basic raw materials be made in order to fully satisfy the demands of civilian production and peaceful construction in all lands. (Applause.)

Mr. Prem Sagar Gupta

(INDIA)

Mr. Gupta began his speech with an analysis of the economic situation in India. The national economy is faced with severe difficulties. The country continues to be agrarian; there is no heavy industry in India in general, no machine-tool industries in particular.

Most of the peasants in India, said Mr. Gupta, are born in debt, live in debt, and pass on the burden to their children. The basic wage in the textile industry is 25 rupees a month and in the mining industry 11 to 12 rupees a month. Employees in banks, insurance companies, and other offices, receive a monthly wage of from 15 to 55 rupees, while school teachers receive 15 to 25 rupees. Workers on tea and coffee plantations are paid 6 rupees a month, on rubber plantations only 4. The standard of living is steadily dropping.

The housing situation is also very bad. In Bombay more than 300,000 people have no shelter, and are forced to sleep in the street. Ten or twenty workers and even several families often live in one room.

Unemployment is chronic in India, said Mr. Gupta. The rural population is rarely employed more than 150 days a year. The number of unemployed is increasing. Until the beginning of 1952 there was no social insurance whatever in India. This year it was introduced in Delhi and one other city, but it involves only part of the workers.

India has become a country of perpetual food shortage and famine. She imports more than 5 million tons of grain yearly.

Undernourishment is common among the entire working population, and the average diet in terms of calories comes to only 1200 to 1800 a day, instead of the required 3700.

The death rate is very high, especially among children.

Such are the lamentable conditions prevailing in India.

Mr. Gupta then made an analysis of the foreign trade of his country.

The Indian working class, said he, is interested in the promotion of trade with the Soviet Union, Czechoslovakia, China and other countries.

He said that his people firmly believed that the growth in trade with all countries would help raise the standard of living of the working class of India; for that reason they were striving to conclude long-term trade agreements with the U.S.S.R., China, and other countries. (Applause.)

Mr. F. Runturambi

(INDONESIA)

Mr. Runturambi spoke of the hard times Indonesia is now going through. Enterprises which were started in the years from 1945 to 1949 are closing down. Unemployment is increasing. At present there are 253,000 registered unemployed, in addition to 200,000 who are not registered. Wages are pre-

posterously low. The country's production is insufficient to support its population of 75,000,000.

There is a lack of rice, the population's basic food. People are eating rice only once in two, or even three days.

The development of national industry is hindered by large concerns owned by foreign capitalists. Foreigners control the country's tin, oil, and other raw materials.

We believe, said Mr. Runturambi, that trade relations will be established with the Soviet Union and the People's Democracies, and that this trade will lay the foundation of lasting peace. (Applause.)

Herr O. Proksch

(WESTERN GERMANY)

Herr Proksch is of the opinion that systematic economic relations can effect a solution of social problems, whereas complications of all kinds in the international situation may hinder such a solution. Foreign trade can also help to bring about an effective and proper solution of social problems, if the participants intend to pursue a planned social policy. Wherever social policy is in the hands of individuals, there can be no serious solution of the social problem. The various plans being drawn up in our Ministries, says Herr Proksch, can only serve to increase the chaos.

The same sort of chaos is to be observed in social problems. An effort must be made consciously to coordinate foreign trade and social policy, priority being given to the latter.

I ask my Western friends, says Herr Proksch, not to be scared by the word "plan," since there is no system in a nonplanned economy.

Everyone of us, continues Herr Proksch, is aware of the destructive consequences of economic crises, and of the fact that such chaos can be averted where extensive economic ties exist. The same is true of the relations between different countries.

Herr Proksch goes on to say that in our relations with the East we must remember that it may sooner or later refuse to have anything to do with us, rather than vice versa. This is a source of great danger for the Western countries. If we slam the doors that we should fling wide open, we shall be taking a step that it will be impossible to rectify later.

The speaker recommends that the experience of the Soviet Union and the countries friendly to it be borne in mind and that concrete proposals be made to establish genuine trade with them.

He is of the opinion that countries with surplus population can use it to intensify their industrialization, and, if ready to make the necessary concessions, can secure the requisite capital on the world market in sufficient quantities. There is some point in the idea of cultivating the small industries so as to help increase employment.

Herr Proksch proposes the establishment of



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a permanent bureau to which countries so desirous may address themselves for information and advice.

Herr Proksch says that social policy can be assisted not only by foreign trade, but also by the export of technical ideas and proposals naturally in those areas where there is no need for secrets, patents and so on.

In conclusion Herr Proksch says: Without peace there can be no long-term solution of social problems. That is why proposals should be made to replace the policy of power and violence by a social policy and by the expansion of social and economic relations between countries. (Applause.)

Mr. J. Kuczynski

(GERMAN DEMOCRATIC
REPUBLIC)

The agenda, said Mr. Kuczynski, actually has only one main item: to find ways for improving the living conditions of people through cooperation among different countries based on the expansion of their economic relations.

The 1951 economic survey for European countries published by the U.N.O., as well as speeches by various representatives at the Conference, show the exceptional importance of this item.

In the third quarter of 1951, the population of Europe had less food than it had in the third quarter of 1950: in Switzerland by 4 per cent, in Britain by 5 per cent, in Denmark by 6 per cent, in Norway by 7 per cent, in Austria by 9 per cent, in Western Germany by 12 per cent, in Sweden by 13 per cent, in Belgium by 16 per cent.

This reduction is, to a considerable extent, due to the growth of full or partial unemployment.

Mr. Kuczynski noted that the growth of unemployment is connected with the reduc-

tion of foreign trade. In the past year, unemployment grew in every European country mentioned above, as well as in the U.S.A. Statements currently circulated in Western countries that militarization is bound to result in the reduction of unemployment have proved false.

In Lancashire, centre of British textile industry, there are, according to official British figures, 10 times as many unemployed as there were a year ago. Over one third of all workers in the Lancashire cotton mills are now either unemployed or working a shorter week.

In Detroit, centre of the American automobile industry, the unemployed total 200,000. We have not witnessed such a number of unemployed since the terrible economic crisis 1929-32.

Unemployment has increased in Western Germany. In Belgium the number of unemployed grew in one year by 20 per cent.

On the other hand, Mr. Kuczynski said, there is no unemployment in the Soviet Union, in the Chinese People's Republic, in the People's Democracies and in the German Democratic Republic, and the living standard in these countries is rising.

And it is namely these countries which display the greatest readiness to expand and revive trade.

Mr. Kuczynski then cited some facts showing how important foreign trade is for increasing employment.

West-German firms received an order from the German Democratic Republic for one million pairs of shoes, but the Bonn government did not permit them to fulfill the order. Had the order been fulfilled, the number of unemployed in the footwear industry of Western Germany would not have increased by 15,000 as was actually the case. The refusal to deliver several million marks worth of

wine led to the bankruptcy of a number of wine-producers.

The refusal to undertake the delivery of piping valued at 7.5 million marks brought great difficulties for the largest and most specialized West-German firm and increased the number of unemployed.

Speeches delivered by representatives of the U.S.S.R., the Chinese People's Republic, Poland and Czechoslovakia at the Conference, said Mr. Kuczynski, showed that there are tremendous potentialities for expanding world trade.

Orders from these countries could give jobs to many millions of people in the U.S.A., Britain, France, Italy and other countries.

Speeches by participants from the U.S.A., Britain, France, Pakistan, Argentina and other countries have shown that striving for peaceful cooperation among different countries and systems, and expansion of international economic relations, is a universal striving supported by all strata of the population: by manufacturers and businessmen, scientists and technicians.

Mr. Kuczynski considered that the participants of the Conference were unanimous in understanding the importance of international trade. He urged everyone to show the greatest possible number of persons, in his own circle, that our path is the right one.

In case the Conference conducts some organized activities after the Conference, Professor Kuczynski recommended the popularization in scientific treatises, with the help of statistical diagrams and graphs, popular articles and lectures, speeches at board meetings of industrial concerns and export organizations, trade union meetings and schools of the importance that development of foreign trade among all countries, irrespective of their economic systems, has for increasing employment and raising the living standard, prosperity and happiness of people. (Applause.)

UNDERDEVELOPED COUNTRIES GROUP

EVENING SITTING, APRIL 7

Evening sitting presided over
by Mr. Gyan Chand

Mr. Stefan Ignar
(POLAND)

The problems connected with the development of underdeveloped countries are the basic economic questions at the present moment. We may boldly affirm, the speaker said, that it is impossible to have a serious international economic conference which did not include these problems in its agenda and did not attempt to find the ways and means for their solution. These problems concern a huge part of the globe, more than half of mankind. It is characteristic that they concern countries possessing tremendous natural and land resources while the populations of these countries do not utilize wealth in the land and live in dire poverty. Agriculture predominates in these countries. Their industries are occupied only with the production of raw materials, while in the majority of cases these raw materials are worked beyond their borders. They are completely dependent on the industrial countries and are exposed to the slightest fluctuations in the world market. Furthermore, it is impossible to normalize international economy without finding the means for improving the situation in the economically backward countries.

The main problem is that of industrializing these countries and creating national industries in them. The development of a national industry, power centres and transportation facilities will open new possibilities for providing the population with increased employment and raising its standard of living. This, in its turn, will expand national markets thus giving an added stimulus for industrial growth.

Agriculture also is in crying need of an extensive and fundamental reform that would conform with the interests and requirements of these countries. Such reforms must lead to a better and fuller utilization of land, to an increase in agricultural production and to the ensurance of a reasonable standard of living for the peasantry.

Problems connected with the economic development of economically backward countries cannot be solved by capital investments by circles interested in preserving these countries as their raw material bases. The principal way to solve these problems is to utilize local resources to the utmost.

Pointing out the great importance that expansion of international trade has for the improvement of the economic condition of backward countries, Mr. Ignar stated that Poland was ready to expand trade with these countries with a strict observance of respect for

their requirements and national interests and by opening for them possibilities to import Polish goods as well as a profitable Polish market for their goods.

Broad trade between economically backward countries and Poland is especially advantageous to the parties concerned. Economically backward countries will receive the necessary industrial goods both for capital constructions and for their daily needs and will, at the same time, find a market for those goods which they usually export. This trade can be conducted on a clearing basis which would facilitate the solution of their payment and currency problems.

Only a program which is free of all exploitation and political stipulations as well as economic dependence can ensure the underdeveloped countries a permanent and systematic economic development and a rise in the living standard of their populations.

Mr. Jaime Fuchs
(ARGENTINA)

Agricultural production, said Mr. Fuchs, constitutes the basis of Argentine economy. Argentina had no heavy, chemical or oil industry, which shows her dependence upon trade with foreign countries.

Argentine economy requires a great number of agricultural machines. At present there are 27,000 tractors and 40,000 combine-harvesters in Argentina. Yet she needs another 100,000 tractors, 15,000-20,000 combine-harvesters, and 10,000-15,000 maize combines.

What should be done to get those machines and thus increase agricultural production? asked the speaker. Answering his own question, he said: Countries producing such machinery should sell them to Argentina on trade terms based on respect for the sovereignty of other countries and on mutual advantage.

The speaker then dealt with a problem that interests countries producing raw materials, the problem of discrimination both with regard to prices for their export goods and to prices they have to pay for goods they import. In this connection Mr. Fuchs moved a concrete proposal: that the Plenary Session should consider the problem of buying and selling machinery and raw materials without any discrimination whatever. According to him it is necessary to establish equivalent international prices for imports and exports. In other words, prices for raw materials produced by agricultural countries should be brought into line with prices for machinery they import.

In the opinion of Mr. Fuchs, exchange of information on technical improvements and scientific discoveries should be conducted between countries on the basis of equality, mutual respect and peaceful coexistence.

The speaker stressed the importance of the Soviet representative's statement that the U.S.S.R. could sell industrial goods to other countries accepting payment in their own currencies. He also suggested that multilateral treaties should be entered into by different countries for long periods, such treaties being essential for the development of foreign trade and for the carrying out of long-term plans of industrial development. Lastly, discrimination with regard to transportation of goods in which the great powers usually indulged, should be done away with and equality established for all countries in need of transportation facilities.

Mr. Fuchs's concluding remarks to the effect that the economies of underdeveloped countries should expand along peaceful lines and not be transformed into appendages of the war economies of foreign powers, were greeted with general applause.

M. J. Bouchaud
(FRANCE)

M. Bouchaud, who represents the French General Confederation of Labour, stressed the need to combat poverty, unemployment and malnutrition in the underdeveloped areas. The French General Confederation of Labour is working in this direction. Above all the production of food and prime necessities must be increased. How is this to be achieved? the speaker asked. The rapid development in the colonial countries is possible only if they receive comprehensive assistance from other countries. Industry must be developed, for upon it, among other things, depend hygienic conditions in the underdeveloped areas. Natural resources of all countries must be preserved. The worker must be ensured a fair share. Foreign capital must be invested and technical assistance rendered. Industrial development will also promote exports of raw materials. Local industries must be encouraged to process raw materials. But above all power development should be boosted in every way. All this requires a high degree and wider scope of vocational training.

M. Bouchaud emphasized that economic progress entailed capital investments and he suggested that a single body be established in which contributions from all countries could be deposited.

In conclusion M. Bouchaud remarked that international trade is a highly-important fac-

tor in the economic advancement of underdeveloped areas and in promoting world cooperation. Every type of discrimination, blockade, and in particular the blockade of China, must be abandoned. Militarization of the economy must stop, for only a peace economy can promote the peaceful branches of industry.

Our goal must be cooperation in world trade. Very many countries, China among them, had been excluded from world trade, and quite unjustly. All of us, M. Bouchaud said, must do our duty to the underdeveloped countries. (Applause.)

Mr. Tufail Ahmed Khan (PAKISTAN)

Economic planning, the speaker said, is of great importance for industrialization, a prime necessity for underdeveloped countries. The beginning for such economic planning has already been entered upon in Pakistan; we have a two-year government plan for the development of mining and other branches of the industry as well as an extensive irrigation plan. However, these plans are carried out very slowly, the major part of them being shelved chiefly for reasons of an international character.

The growth of the war industry in the West is having an adverse effect on the development of our country. We are short of machines and equipment but the prices have become forbidding to us. Furthermore, supply of equipment to our country depends upon the dictate of more developed countries.

Actually, efforts are made to convert our countries into markets for consumer goods. We are denied supplies of machines and equipment. Certain more developed countries want to reduce prices for agricultural produce artificially, stating that this is being done in the name of civilization, but actually for profits, as the prices for machines and equipment are not being reduced. Thus, our countries have no opportunity to exchange raw materials for much needed capital goods in developed countries and are virtually deprived of the possibility to industrialize. The major portion of exports and imports in the underdeveloped countries is controlled and dominated by the more economically developed countries.

These are the principal reasons why underdeveloped countries cannot develop their industries or are developing them very slowly. Our countries can be led out of a difficult economic situation by the elimination of these obstacles.

The underdeveloped countries are experiencing grave economic consequences from militarization and the development of war industries abroad. Foreign investments, as well as control of capital investments, banks and industry by the more developed countries, actually hinder the economic growth of the underdeveloped countries. They could develop better and more rapidly if these obstacles and this control were removed. (Applause.)

Mr. K. Kamenov (BULGARIA)

Bulgaria, said Mr. Kamenov, is in a position to extend its trade with all the countries she used to do a lively trade with in the past, namely: Turkey, Egypt, Israel, the countries of the East, etc.

These countries produce various items of interest to us and this creates the conditions for a greater exchange of goods. The fact that Bulgaria lies at no great distance from the East is also an important factor.

Bulgaria has altered the nature of her agriculture which she is developing into a large-scale, mechanized branch of production. Agricultural output in 1950 was 42.2 per cent greater than in 1939. Mechanization of agriculture has shown an almost three times increase in the same period.

Although light industries at present predominate in the country, Bulgaria is gradually beginning to produce more electric power, ores, coal, chemicals, machinery, building materials and metals. Industrial output in 1951 was triple the 1939 figure.

We owe this rapid industrialization to the generous assistance of the Soviet Union and the People's Democracies.

Our exchange of goods with the countries of the Middle and Near East has increased. We export glass, cement, charcoal, and other items. We can supply Turkey with textiles, machinery, different kinds of equipment, pressed glass, glassware, timber, plywood, porcelain, clay, glycerine, seed, grapevines, and alcoholic beverages, in exchange for copper, oils, tanning substances and other goods. If trade is developed on an equal footing a large exchange of goods can be expected.

To Egypt Bulgaria can export tobacco, glass, machinery, nitrogen fertilizers, joiner's glue, cement, tinned vegetables, glassware, furniture, rubber and other industrial items. We are interested in receiving from her cotton, lemons, oranges, bananas, etc. Not only is an import and export trade between Egypt

and Bulgaria possible, it is also essential to the interests of both countries.

However, Bulgaria's contractual relations with the Near East preclude any steady exchange of goods. We have made attempts to conclude new agreements but with no results.

The People's Republic of Bulgaria, with its rapidly developing economy, cannot base its trade on change agreements because that interferes with its planned economy. Cooperation on a basis of equality will make it possible to conclude long-term agreements.

Given sincere mutual cooperation present obstacles and the isolation of the Central European countries from the Near East can be eliminated. This is the sole means of maintaining world peace and raising the cultural level of all peoples. (Applause.)

Mr. U Kyaw Min (BURMA)

Mr. U Kyaw Min, a Burmese barrister, Member of Parliament and director of the Central Commercial Bank, said that Burma was a good example of an underdeveloped country. This country, rich in natural resources, has a very low standard of living. Its economy is basically agricultural, with about 80 per cent of the population working the land.

Burma suffered greatly during the Second World War. It was twice occupied, and most of its towns were almost completely ruined. We desire peace, he said, in order to rehabilitate our devastated country.

Next Mr. U Kyaw Min pointed out that the economy of Burma was lopsided, that the country needed to build up industries which could process its mineral wealth, timber, and bamboo. It is also necessary to build sugar mills and to develop other industries. Burma is especially interested in establishing small hydro-electric power plants. However, said the speaker, at present our people have very little money and can buy machinery only at low prices. We know, he added, that the New Democracies are in a position to offer us fixed prices.

Prior to the Second World War Burma traded with China, Czechoslovakia, Poland and Rumania. Unfortunately, after the war, the speaker noted, there has been practically no trade with these countries. It is hoped, however, that Burma's trade with these countries and the Soviet Union will grow in the near future.

In conclusion Mr. U Kyaw Min thanked the Initialing Committee for convening the International Economic Conference, and the Soviet people for their hospitality. (Applause.)

Mr. K. Economides (CYPRUS)

Mr. Economides informed the gathering that he was the only representative of Cyprus; a consulting economist of the Federation of Trade Unions and of the Peasants Union of Cyprus, he is also president of an import corporation.

In my country, said Mr. Economides, more than half the population is employed in agriculture. The rich farmers and landlords, who comprise only two per cent of the rural population, own approximately 20 per cent of the land.

Despite its tremendous natural wealth, said Mr. Economides, Cyprus is a poor and underdeveloped area, because its agriculture is not based on advanced modern methods. Furthermore, the mining companies pay very low wages. The peasants and workers of Cyprus are therefore living in poverty which drives about 4,000 inhabitants of Cyprus to emigrate annually to Australia and other countries.

One of the principal problems confronting Cyprus is that of combating the tragic consequences of drought which visits the country at intervals of several years. This could be achieved primarily by building irrigation systems; secondly, by digging wells, and lastly by improving the methods of cultivation and seed selection. As regards irrigation, I have heard here, and was very pleased to hear Nesterov, the President of the Chamber of Commerce of the U.S.S.R., declare that the Soviet Union with its very rich experience in this field is prepared to assist the underdeveloped countries in building irrigation systems.

I am convinced that thanks to the achievements of its scientists the Soviet Union is in a far better position than any other country to render technical assistance to the underdeveloped countries not only in building irrigation systems, but also in advancing agriculture in these countries to a modern level. It would be extremely desirable in this connection if arrangements were made enabling delegations from the underdeveloped countries to pay frequent visits to the Soviet Union in order to study the work of the collective and state farms of the U.S.S.R., and for Soviet agronomists and other scientists to come to our country to assist us with their advice in the solution of technical problems confronting our agriculture.

Our second most important problem in agriculture is that of the expropriation of the land from the estate owners for distribution among the poor and landless peasants. This problem cannot of course be solved by

any direct aid from the more advanced countries. Nevertheless the solution of this problem could have been accelerated if a coordinated world-wide campaign were launched in favour of the expropriation of the landlords and the transfer of their holdings to the poor and landless peasants.

The next problem—which confronts not only Cyprus but also other underdeveloped countries—is that of the exploitation of their natural wealth for the benefit of the peoples of these countries, and not in the interest of foreign shareholders as is the case today. This can be achieved only through nationalization.

Last but not least there is the problem of industrialization which confronts Cyprus along with many other underdeveloped countries. With the aid of the more advanced countries, and, especially, with the aid of the Soviet Union and Czechoslovakia, Cyprus would be able to industrialize its economy. Thus, for example, we need equipment and technical assistance for the organization of canneries, let us say, for processing fruit and vegetables, for processing our raw materials, and for other branches of the light industry.

Mr. Economides concluded by saying that with the aid of the more advanced countries, and primarily, with the aid of the Union of Soviet Socialist Republics, Cyprus, just as the other underdeveloped countries, would be able to develop its economy and raise the living standard of its population. (Applause.)

Mr. M. Miller (CANADA)

Mr. Miller stated that backward countries should be industrialized if they wish to raise per capita consumption.

One way of industrializing a country is by reorganizing its entire economic system, as was done in the Soviet Union. Another is by using foreign capital.

No one could object to the principle of offering aid, said Mr. Miller. The thing we do object to is attaching strings to this aid.

Capital investments may indeed be an effective means of helping backward countries. This raises a very important question. If capitalists make these investments, they are interested in getting profits.

Mr. Miller further said that the Soviet Union placed no conditions whatever when it invested capital in Soviet Republics. Can we effect this same principle to hold in respect to countries outside the borders of the Soviet Union? (Applause.)

Mr. M. Hancock (CANADA)

At the beginning of his speech Mr. Hancock described Canada's economy. Canada, he said, is primarily an exporting country, the third largest in the world. Our traditional exports are wheat, timber and paper. But we also export large quantities of nickel and iron ore, asbestos.

A large part of our Canadian exports, he continued, go to Britain and the United States. At one time Britain was chief consumer of Canada's exports, but now the United States is taking 65 per cent of them. But even at that Canada has a chronic adverse balance of trade with the United States. At the same time it must be pointed out that there are huge foreign investments in Canada. Much foreign capital has always been invested in the country. It has been a characteristic feature of its economy. By 1949 the value of foreign investments in Canada had reached 8 billion dollars of which 6 billion dollars was owned by United States investors. This shows that Canada in common with some other countries finds her economic sovereignty severely compromised.

The keynote of this Conference has been the recognition of the equality principle in international trade relations. Trade agreements must be mutually beneficial to all participating countries. If underdeveloped countries are to be permanently assisted their products must be given equal opportunity for disposal on the world market, and an end should be called to the practice of making loans ostensibly for purposes of financing sales but actually crippling the economy of the receiving country.

In my opinion countries which find themselves unable to pay in currency should be enabled to settle their accounts in goods and services.

I consider that it is not only countries with a low per capita income which can be considered underdeveloped. In the broadest sense of the term Canada also is underdeveloped, that is, its economy is lopsided, unbalanced. We are too dependent on the United States whose industrialists largely control our development.

We are still cutting down our forests, and do this for the United States, which has vast timber resources of its own.

On the ways and means of developing underdeveloped countries we shall try to make some special contribution. We welcome the opinion that it is necessary to establish a bank which will be under the control of the underdeveloped countries. In order to change the picture rapidly in these countries there must be loans of capital for their development, but these must be made in the spirit of assistance and restitution. There must be co-operation, not coercion. (Applause.)

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INTERNATIONAL ECONOMIC CONFERENCE

No. 6
April 9
1952

INFORMATION BULLETIN

Conference Diary

At 10 a.m. on April 8, the respective Working Groups of the International Economic Conference assembled in the Column, Round and October Halls of the House of Trade Unions.

The speakers in the International Trade Development Group were: **M. Spahiu**, economist (Albania); **M. Haroun**, president, Haroun Co., Ltd. (Pakistan); **F. Adamek**, director general, Tsentrtoeks (Czechoslovakia); **N. Orlov**, director, Foreign Trade Research Institute (U.S.S.R.); Professor **Cazi Muhammed Farheed** (Pakistan); **S. Tedjasukmana**, president, Jokyarta Chamber of Commerce (Indonesia).

N. Orlov made a comprehensive analysis of the state of world trade, and demonstrated that the unadjusted trade balances of the West-European countries were in a large measure due to the fact that the United States was forcing its own exports with total disregard to the principle of mutuality. He presented in contrast the economic relations between the U.S.S.R., the Chinese People's Republic and the European People's Democracies, which were based on the principle of the equality of parties. The Soviet delegate referred to the concrete proposals being discussed by Soviet foreign trade organizations and representatives of British and French firms present at the Conference.

A notable feature of the discussion in this Group was its businesslike and concrete character. Many of the speakers did not confine themselves to general problems but made specific recommendations. **Mr. Spahiu** (Albania) suggested that the International Economic Conference should establish a permanent international body for the promotion of trade between all countries. **Mr. Haroun** (Pakistan) proposed that all governments should be recommended to make no difficulties in issuing to businessmen visas to the countries with which they desired to develop trade relations.

The committee appointed by the Group to draft its report met in the evening. The report will be presented to the plenary session of the Conference today, April 9.

The first speaker at the sitting of the International Economic Relations for the Solution of Social Problems Group was **Mr. H. Acosta**, secretary general of the Labour Union of Paraguay. He was followed by: **V. Kuznetsov**, chairman of the Central Council of Trade

Unions of the U.S.S.R.; **R. Amaduzzi**, director, economic division, Italian General Confederation of Labour; **A. Deutsch**, of the Printers' Union, American Federation of Labour; **S. Moraru**, executive member, Rumanian General Confederation of Labour; **F. Bozsoki**, Hungarian trade unionist; **D. Stanley**, Construction Workers' Union Secretary (Britain); **J. Shuli**, trade unionist (Albania); **Dr. S. Taghi Razawi** (Iran); **D. Musa** (Israel); **C. Riffó Blest**, (Chile); **Amir Hussein Shah Sayed** (Pakistan); **A. Cuneo** (Argentina); **Thakin Lu Aye** (Burma); **Mobarak Saghar** (Pakistan); **M. Acosta** (Uruguay); **H. Schlimme** (German Democratic Republic), and **C. Mubrey** (U.S.A.).

Many of the trade union members of the Group stressed the close connection between the state of employment and the state of foreign trade. **V. Kuznetsov** made an interesting statement on this point, in which he noted that the Soviet orders to which the President of the U.S.S.R. Chamber of Commerce had referred could provide employment over a period of three years for at least one and a half to two million people in various countries.

R. Amaduzzi, **A. Deutsch**, **M. Acosta** and others said that the trade unions, whose function it was to protect the interests of the workers, could be of material assistance in securing an expansion of world trade.

The speakers at the meeting of the Underdeveloped Countries Group were: **Youn Hen Chjoun**, economist (Korean People's Democratic Republic); **H. Dariuche**, merchant (Iran); **D. Borisenko**, vice president, U.S.S.R. Chamber of Commerce; **B. Manzocchi**, economist (Italy); **B. Szilagyi**, trade adviser (Hungary); **Q. Harito**, financier (Albania).

D. Borisenko said that the best way to assist the underdeveloped countries was to trade with them on a footing of equality and without interfering in their internal affairs. **B. Szilagyi**, the Hungarian delegate, made specific proposals for trade between his country and the Near East and Latin American countries.

The Group appointed a recommendations drafting committee, composed of representatives of India, Argentina, Iran, the Chinese People's Republic, Pakistan, the U.S.S.R., Great Britain, France, Canada, Chile, Brazil, Burma and Czechoslovakia.

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DEVELOPMENT OF INTERNATIONAL TRADE GROUP

Mr. Muhamer Spahiu

(ALBANIA)

Albania, said Mr. Spahiu, is a small country. Although it was economically backward before the Second World War, it has made great progress since. Before the war Albania was exploited by many imperialist countries, Italy in particular, and that was the primary reason why she had no trade ties with any other country but Italy. Since the war Albania has established economic relations with the U.S.S.R., Czechoslovakia, Rumania, Hungary, Poland, German Democratic Republic, Bulgaria. This has enabled us to set about industrializing the country and has led to rapid economic development.

Albania's industries are growing rapidly. The output of its mining industry, for instance, was 3.7 times greater in 1951 than in 1938; output of its food and light industries and its building materials industry increased 4.7 times in the same period. Agriculture has also made marked progress.

Substantial changes have also taken place in Albania's foreign trade. Her exports are now double the prewar figure. As for imports, not only have these increased immeasurably, they have also changed in nature. Whereas consumer goods used to make up the greater part of Albania's imports before, now capital equipment accounts for nearly 60 per cent of it. In addition we import raw and building materials—cement, nails, glass, rolled goods, sheet iron, chemical fertilizer, rubber, etc. Our chief export items are mineral products, raw oil, bitumen. They account for nearly 70 per cent of the total exports.

Growth of our imports will go hand in hand with the growth of our exports. Albania's primary requirements are capital equipment, industrial raw materials and building materials. In the period of 1953-55 we shall be in the market for rolled goods, rubber, paper, various kinds of engines, machinery for the mechanization of building work and mining and equipment for machine shops totalling approximately 5,000,000 rubles in value; farming machinery to the value of about 7,000,000 rubles; rolling stock and transport vehicles to the value of nearly 10,000,000 rubles; different kinds of machinery and spare parts to the approximate value of 17,000,000 rubles—which adds up to about 40,000,000 rubles for the whole.

In conclusion Mr. Spahiu proposed that the Group submit a recommendation to the Plenary Session to set up an organization to continue the work begun by the Arrangements Commission and the present Conference. (Applause.)

Mr. Mahmoud Haroun

(PAKISTAN)

An important factor which today is a great handicap to the development of international trade is the restrictions and the various formalities placed by various countries on free travel. Some countries refuse permission to their nationals to visit certain countries, while others lay down complicated formalities to be complied with before visas are given. The result of this is that many a trader, or businessman and industrialist has to miss markets where he can often reasonably expect his requirements to be fulfilled with great advantages.

Expansion of international trade can only take place where there is easy and quick access for businessmen to the respective commodity markets. Any restrictions in this respect become disturbances in the way of trade.

For example, in my country some of the East-European countries have not established their missions, and where missions do exist the formalities for obtaining visas take up so much time that many businessmen have often dropped the idea to visit these countries and transferred their business propositions to other countries. I, therefore, urge that this Conference should make a recommendation to all governments to facilitate easy and quick movement of bona-fide traders and businessmen to and from their countries.

Mr. Haroun concluded by submitting for the consideration of the Conference the following proposal:

"Whereas trade and commerce flow more easily in directions in which easy movement for traders and businessmen is possible, it is necessary for multilateral extension of trade and commerce that bona-fide traders, businessmen and industrialists should be readily granted passports and visas for travelling to all countries where the interests of international trade may take them.

"This Conference accordingly orders all governments to grant passports and visa facilities to all bona-fide businessmen without delay or hindrance." (Applause.)

Mr. Frantisek Adamek

(CZECHOSLOVAKIA)

The speeches by the participants of the International Economic Conference, said Mr. Adamek, clearly prove that the deterioration of international economic ties due to discrimination adversely affects the economic development of the countries that operate this discrimination. Mr. Nesterov's speech at the Plenary Session and the speeches of representatives of the People's Democracies have shown how favourably the elimination of discrimination would influence the development of international trade and thereby that of the economies of all countries. It would be marked by a tremendous flow of goods, by a broad exchange of goods between the planned economy and the private-enterprise countries. This exchange would guarantee economic progress in many countries and clear the way for an improvement in the living standards of millions of people throughout the world.

In conclusion, Mr. Adamek introduced the following proposals on behalf of the Czechoslovakian delegation:

With a view to advancing the living standards of the people and lessening international tensions, the participants of the International Economic Conference should find ways of achieving the nondiscriminatory expansion of international trade, aimed at a constant development of international economic ties, regardless of economic and social systems. The participants of the International Economic Conference should approach industrial, agricultural, commercial, cooperative and trade union leaders, men of science and all working people, and also the governments of all countries with a view to securing support for and the implementation of the recommendations adopted at this Conference.

The members of the Czechoslovakian delegation propose the establishment of a committee that would address to the United Nations Organization the suggestions that the results of the Conference be discussed at a special conference convened by the U.N.

To secure the development of economic ties, the Conference recommends the employment of all possible methods including long-term and multilateral commercial agreements.

We are convinced that the fulfilment of these recommendations would considerably facilitate the fulfilment of the aims of our Conference. (Applause.)

The speeches are given in abridged form.

Nikolai Orlov

(U. S. S. R.)

N. Orlov, Director of the U.S.S.R. Economic Research Institute, which studies world markets and international trade trends, discussed the present state of world commerce.

One of the most salient features of international trade today, he said, is its low level. Indeed, no appreciable progress has been made in this sphere in the last quarter of a century. Figures issued by the U.N. Statistical Bureau indicate that, on the whole, world trade in 1950 was only slightly above 1928, generally considered a favourable business year. In the case of such countries as Britain, France, Italy, Austria, India, Argentina and Japan the figure is even below 1928. In the same period, the U.N. figures show, the world's population increased approximately by 25 per cent, so making allowance for this population growth, world trade is approximately 12 per cent below the 1928 level.

A certain increase in international trade was registered last year. It does not, however, alter the above conclusion. Foreign trade expansion in most Western countries was of an unsound nature; it was temporary and unstable, since most of it was based on deliveries of armaments and war supplies.

World trade in peacetime products has not yet climbed back to the prewar level—

a direct result of economic militarization in certain Western countries in recent years.

Customs returns and data published by the United Nations and international economic agencies show that last year's international trade in a considerable number of mass consumption items was below prewar. Specifically, the shortfall was 10 per cent in meat, 21 per cent in animal fats, 54 per cent in rice, 21 per cent in cotton goods.

International trade in a number of raw materials in 1950 was likewise below prewar, the shortfall being 14 per cent for cotton, 30 per cent for sawn timber and coal, 28 per cent for iron ore and 25 per cent for pig iron.

The recession of international trade in consumer goods means less supplies for the population of many countries. In its report for 1950-51, the FAO admitted that most people who went hungry before the war were hungrier today. This is due not only to the fact that food production in most deficient areas lags behind population increases, but also to a nearly one-third drop in the world food trade, compared with prewar.

The present dislocation of international trade is bound up with the rupture of normal economic cooperation among nations, discriminatory practices and the expansion of armaments production in certain Western countries. Trade discrimination out of political considerations is part and parcel of

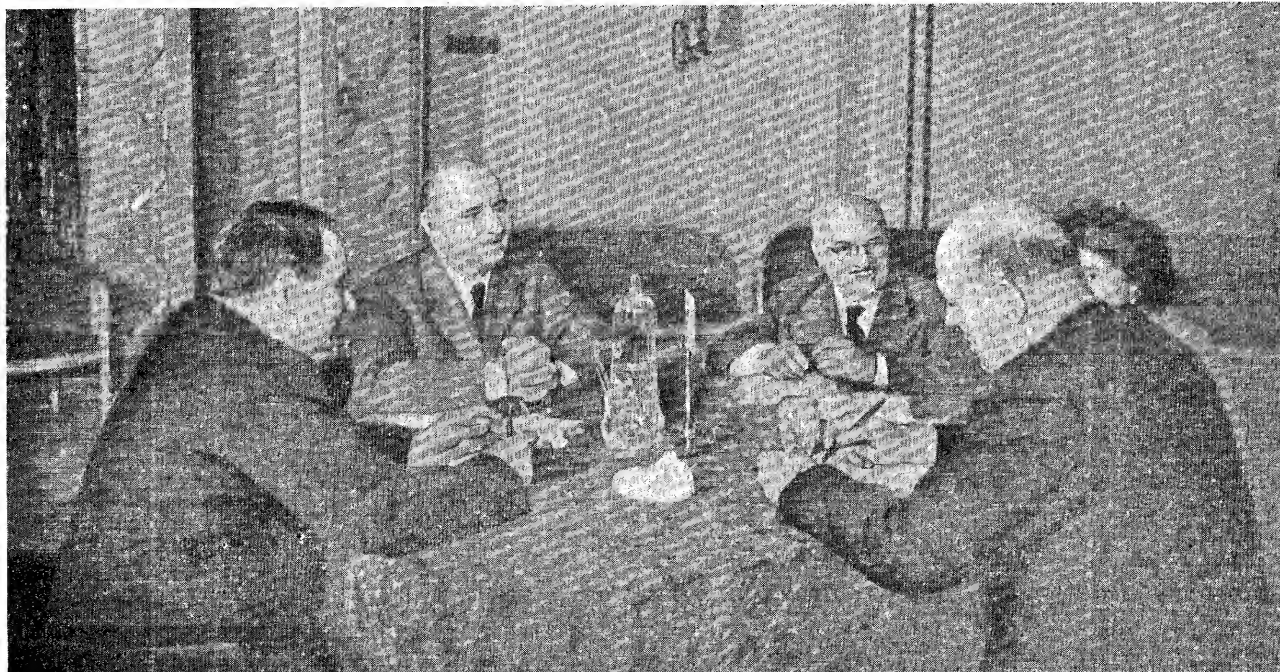
a policy aimed at preventing the reestablishment and development of East-West economic relations.

At this Conference Lord Boyd-Orr sided with the supporters of international trade. But there appears to be a contradiction in his stand on the matter, inasmuch as he advocated developing trade within the framework of existing restrictions. His proposal could, of course, be productive of some good, but by following the path he suggests we are hardly likely to achieve the substantial expansion of international trade which this Conference desires.

In this connection mention should be made of the anxiety expressed by representatives of France, Italy, Brazil, Argentina, India and Pakistan over the adverse consequences discrimination in international trade is having on the economic interests of their countries.

I would like to draw attention to the remark of the Indian delegate who said that if trade was to be employed as a means of mutual assistance and not as an instrument in the struggle of the powers for domination, we would have to eliminate all trade barriers, restrictions, and harmful trade practices.

The dislocation of normal international business relations has caused chronic unfavourable trade balances, depletion of gold and foreign exchange reserves, and aggravation of the currency crisis in many countries, these, in turn, intensify the dislocation of international trade. Thus, West-Europe's un-



In the Conference Lobby

favourable balance of trade for 1946-50 exceeded 34,000 million dollars, and grew to even more menacing proportions in 1951.

The unadjusted state of West-European trade balances is largely due to the fact that the United States, while stepping up its own exports, disregards the principle of two-way trade, which, as everyone knows, is an indispensable condition for the sound development of foreign trade.

Some were inclined to regard dollar aid as a means for moderating the acute postwar economic difficulties caused by the derangement of payment balances. But four years have passed and the question arises: what are the results of dollar aid? Has the situation improved? Have the difficulties been moderated?

Statements of a number of delegates show that these difficulties remain and in some cases have been aggravated.

The foreign trade of the Western countries is encountering mounting difficulties, their economic ties are being narrowed down. An entirely different picture is presented by relations among the U.S.S.R., the great Chinese People's Republic, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, the Mongolian People's Republic, the Korean People's Democratic Republic, and the German Democratic Republic.

The economic relations among these countries are constantly expanding. They have organized economic cooperation and mutual assistance founded on a sincere desire to help one another, and they are making steady economic progress. Their close economic cooperation finds expression in the high rate of development of trade in postwar years. Trade between these countries more than doubled from 1948 to 1950. Future prospects are undoubtedly favourable.

Trade between the above countries is developing on the stable foundation of long-term economic agreements which assures stable markets for the sale of their goods and reliable sources of necessary supplies.

The Soviet Union, China and the European People's Democracies experience no foreign exchange difficulties in trade transactions among themselves.

Soviet foreign trade organizations have extensive potentialities for developing business with other countries as well. Business circles desirous of expanding trade relations with the U.S.S.R. will always find support on our part. One example is afforded by the developing trade ties with a number of countries—Finland, Sweden and others.

There can be no doubt that contacts established at this Conference between representatives of business interests of various countries will lay a foundation for mutual understanding and broader commercial relations.

As for Soviet trade organizations, they are already conducting lively commercial negotiations with many Conference members.

British firms, for example, are negotiating with us for the purchase of crude oil, diesel fuel, oilcake.

French firms are interested in buying wheat, maize, furs, especially Persian lamb, and offer velvet, woollen fabrics, rayon yarn, cocoa beans, soda, lacquers, paints, medical supplies, rolled metal and a number of other commodities.

Business men from Belgium have offered Soviet trade organizations artificial fibre, mirror plate, and knitted goods, and, on their part, are interested in buying motor vehicles of Soviet make.

Soviet foreign trade organizations are also negotiating with firms in Italy, Holland, Switzerland, Denmark, Greece, India, Ceylon, Egypt, Iran, Lebanon, and a number of other countries.

The contacts established here between representatives of firms from many countries have enabled them to start negotiations for business transactions.

All this, as well as the statements made at this Conference by representatives from many countries, is evidence of the readiness of the wide public support for the development of world trade.

The resources available in the world and the potentialities for the production of consumer goods make it possible to expand international trade on a large scale, provided broad business ties are established between countries.

Soviet economists have analyzed the possibilities for increasing international commerce in the coming 2-3 years.

It is our opinion that with the reestablishment and development of business relations between countries trade could be substantially expanded. If per capita world trade was to rise at least 10 per cent above the 1928 level, this would add up to an annual increase in world exports of not less than 15 billion dollars, or 25 per cent above 1950, (in comparable prices). Of course, what is meant is the development of trade by increasing the exchange of food and manufactured goods, raw materials and equipment for the peace industries.

That such an increase is feasible is proved by the concrete programs of foreign trade development presented at the Conference in the speeches of business representatives from the Soviet Union, the Chinese People's Republic, Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, and the German Democratic Republic.

It will be seen from the speech of M. V. Nesterov, President of the U.S.S.R. Chamber of Commerce, that trade of the Soviet Union with Western Europe, the Americas, the Middle East, Africa, Southeast Asia and

Australia, could, given proper conditions, amount to 30-40 billion rubles in the next 2-3 years.

The representative of the Chinese People's Republic stated that if artificial barriers were eliminated, China's trade with the same countries could amount to 15-19 billion rubles in the next 2-3 years, according to incomplete figures.

Statements made by the delegates from Poland, Czechoslovakia, Hungary, Rumania and Bulgaria on the prospects for increasing their foreign trade indicate that the aggregate volume of business they can do with Western Europe, the Americas, Southeast Asia, the Middle East, Africa and Australia, could amount, given proper conditions, to 25-30 billion rubles in the next 2-3 years.

The German Democratic Republic delegate has made it known that his country's trade with these areas could be brought up to 10-12 billion rubles in 2-3 years.

Soviet economists have made a summary of the above statements on the expansion of trade, and have arrived at the conclusion that the combined average annual trade of the U.S.S.R., China, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and the German Democratic Republic with Western Europe, the Americas, Southeast Asia, the Middle East, Africa and Australia could increase two and even two and a half times as against the present volume.

The expansion of international trade would, doubtlessly, contribute to an alleviation of the economic difficulties experienced by the Western countries and would help to raise living standards in many countries.

This would ensure Western Europe an influx of necessary foods and materials and higher operation of industry; it would ease the dollar problem.

Those countries defeated in the last war, whose economic development is being retarded and who are deprived of independence in their foreign trade, could have a proper share in the development of international commerce.

Latin American countries could relieve their economic difficulties.

The expansion of the foreign trade of India, Pakistan and other countries in Asia and Africa, could facilitate the development of their national economy. They could obtain machinery, equipment and industrial raw materials in exchange for the goods they produce.

All of this indicates, N. Orlov said in conclusion, that substantial expansion of world trade, coupled with normal economic cooperation among the nations, could moderate the economic difficulties now encountered by many countries and create the conditions necessary for raising living standards and improving relations between countries. (Applause.)

Mr. Cazi Muhammed Farheed (PAKISTAN)

For the backward countries to develop economically, said Mr. Farheed, they must have the good will of the industrial countries. In our day this good will can take the form of direct financial assistance or long-term credits. It can also take the form of exports to countries that need assistance or the financing of trade.

In all cases this would increase the volume of international trade. And this assistance should not be spontaneous; it should be rendered on planned lines. Seeing that in many countries economic development is planned, there is no reason why planning should not be applied to international trade as well.

Mr. Farheed proposed setting up an international trade planning commission to regulate the export of materials and goods to countries requiring them. Payments should be settled in a manner allowing the exporting countries to make their own purchases in any country and not only in those they export to.

Import-export gaps should be regulated by this commission which would perform the important function of granting loans and rendering direct financial assistance to countries in need of it.

Touching on the economic development of Pakistan, Mr. Farheed stated that since 1951 his country had been carrying out two-year and six-year programs of economic development as part of what is called the Colombo plan. To succeed with these programs Pakistan required the assistance of the industrial countries of the East. Only then would it be able to increase its agricultural and industrial production, increase its exports of jute, cotton, wool, pelts, and tobacco, and import consumer goods, coal, iron, steel, textiles, chemicals and other items from other countries. (Applause.)

Mr. Suchjar Tedja-Sukmana (INDONESIA)

Mr. Tedja-Sukmana, Chairman of the Chamber of Commerce of Indonesia, stated that world market prices in 1950-51 were favourable for Indonesia, since there was a big demand for rubber, tin, copra and tobacco. However, the efforts to import the capital equipment needed for Indonesia's economic development encountered great difficulties, notwithstanding the fact that the country's balance of payments rendered such imports possible. It was to expand trade and consolidate business relations that the Indonesian delegation came to this Conference.

At present Indonesia has trade agreements with approximately 20 countries including Poland, Czechoslovakia and Hungary. Under these agreements Indonesia exports rubber, tin, oil, salt, coffee, black pepper, tobacco, tea, etc. These agreements, however, have not been fully implemented, mainly because exports from these countries to Indonesia are lagging due, particularly, to lack of agreement on prices or delivery dates.

The Indonesian delegation is anxious to straighten out such difficulties through direct negotiations with the delegations from the respective countries.

Besides, Mr. Tedja-Sukmana said, we are also anxious to explore possibilities for trade with the U.S.S.R., China and the German Democratic Republic. In this connection it should be stressed that while Indonesia is prepared to sell her products she at the same time is in need of capital goods from other countries.

In conclusion, the speaker said, we want your trade, we want economic relations with the countries of Eastern Europe and China; we want trade relations with all countries without exception. (Applause.)

INTERNATIONAL ECONOMIC COOPERATION FOR THE SOLUTION OF SOCIAL PROBLEMS GROUP

Mr. Juan Acosta (PARAGUAY)

After stating that the idea of convening the International Economic Conference had aroused lively interest in Paraguay, Mr. Acosta presented an analysis of his country's economy.

The principal occupations in my country, he said, are farming, stock breeding and forestry. As an economically backward land it has unfortunately fallen victim to the policy of foreign monopoly capital, much to the detriment of our national sovereignty. It has reduced the working class to a condition of poverty and hunger.

Sixteen months ago, on December 1, 1950, Paraguay signed an agreement with the U.S.A. accepting Truman's Point-4 program of so-called American assistance. The result has been dislocation of the country's economy.

American firms now predominate in our industries. Two big American companies

have the monopoly of the production of cottonseed and oil. The Americans want to use our oil for war purposes; they want to establish a transcontinental air base on our territory.

It has been announced in Washington that the policy applied to Paraguay ought to be extended to other countries as well. We who live in Paraguay know just what this means. We know that this is a policy designed to convert the country into a semi-colony. And, while imposing this policy upon us, the United States is forcing us to expend our foreign exchange on goods we are quite capable of producing ourselves.

The speaker cited data illustrating the difficult position of the working people of Paraguay. He said that Paraguay with its 2,400,000 inhabitants was cultivating no more than 30,000 hectares of its land. The people are going hungry and wages are fluctuating between 14 and 16 guarani, falling as low as 7 guarani in rural areas, while the minimum living wage is estimated at

33 guarani. The people are suffering from an acute housing crisis. Very often 20 persons have to live crowded in one room. Ninety per cent of the people can neither read nor write.

My country, Mr. Acosta continued, is rich in raw materials—in timber, cotton, tobacco, vegetable oils and oil. We can export all these things abroad in exchange for agricultural and industrial machinery. Paraguay stands in need of free trade with all countries.

The problems under discussion at this Conference, including that of trade with the Soviet Union and the People's Democracies, will go a long way towards resolving our difficulties and ensuring the well-being of the working people. We trust that the goal the International Economic Conference has set itself, the goal of expanding and strengthening international commercial intercourse, will be achieved. (Applause.)

Vasili Kuznetsov (U.S.S.R.)

The trade unions of the U.S.S.R., in common with those in many other countries, displayed a keen interest in the convocation of the International Economic Conference.

The broad and free exchange of opinions at the Plenary Sessions and in the Working Groups should help, and undoubtedly will help, to find ways and means of expanding trade relations and, on this basis, raising national living standards. Naturally, trade expansion cannot in itself solve all the social and economic problems in which the working people have a vital interest. Nevertheless, we fully share the opinion, voiced both at the Plenary Sessions and in our Working Group, that the development of trade relations can exert a beneficial influence on national economies of cooperating countries and promote higher living standards.

The Soviet trade unions wholeheartedly support the policy of expanding economic and commercial relations, the policy of peaceful business relations between the U.S.S.R. and other countries, as a means of improving living conditions.

As the President of the U.S.S.R. Chamber of Commerce, M. Nesterov, pointed out in his speech, our country possesses steady increasing possibilities for increasing foreign trade.

The high rate of the national economic progress, the steady improvement in the living standards of the Soviet people and the growth of their purchasing power, create the prerequisites for an expansion both of the home market and of our exports and imports.

The Soviet working people are eager to develop international commerce. Imports of raw materials, fabrics, citrus fruits and other consumer goods, as well as of certain types of machinery, will undoubtedly make for continued economic progress of the country and still fuller satisfaction of the increasing requirements of the population. At the same time, the U.S.S.R., as has already been noted, is in a position to export goods, raw materials and equipment which other countries need for their economic development and for meeting the requirements of their populations.

The Conference debate has shown that other countries, too, possess extensive potentialities for developing mutually advantageous business ties. Hence, the development of normal trade is possible were it not for the artificial barriers in the shape of discrimination, which certain countries are practising in an effort to reduce and worsen trade and economic relations generally.

Businessmen and trade unionists from Britain, Italy, Argentina, Pakistan and other countries have noted that international trade curtailment and war preparations are having a disastrous effect on the economies of their

countries and on the conditions of the masses. The curtailment of civilian industries and the expansion of war production go hand in hand with lower output of civilian goods, rising prices and taxes, mounting unemployment and poverty.

In considering the influence of international trade on living standards, the problem that deserves greatest attention is undoubtedly that of unemployment. I should like to note in this connection that in our country unemployment has been abolished completely and for all time. Every Soviet citizen is guaranteed the right to work, as well as the free choice of vocation, and industrial training at the expense of his factory or mill. This is ensured by the constant growth of civilian production, the broad scope of peaceful construction, and by the conditions which have been created for a systematic advance in the people's material welfare.

In many countries, however, unemployment continues to be a horrible scourge and is disastrously affecting all working people.

Several trade union leaders—Louis Saillant, Jourdain, Roveda, Isearo and many others—have cited figures here showing that unemployment has grown to menacing proportions: more than seven million are without work in Western Europe, tens of millions are fully or partly unemployed in the United States, Latin America, Japan and India.

The restoration and expansion of international trade and economic relations would go a long way towards cutting down unemployment and easing the lot of millions of people. What tangible benefit to the working people the development of trade can bring may be judged from the fact that the Soviet orders alone, which the President of the U.S.S.R. Chamber of Commerce described at the Conference, would provide jobs to at least one and a half to two million people for three years. If to this we add the members of their families, it will mean an opportunity to assure a livelihood to about six million people.

Professor Steve, speaking for Italian business circles, and Mr. Roveda, the trade union leader, have told us that such key industries as shipbuilding, engineering, etc., were operating only at a fraction of their capacity, and that there were two million totally unemployed in Italy. Yet the U.S.S.R. could place orders with Italian firms that would keep tens of enterprises going and thereby help to bring down unemployment. Tentative estimates made by Soviet economists show that these orders would ensure work to more than 100,000 unemployed, including all the unemployed shipbuilders. The removal of discriminatory measures and

further development of trade between Italy, on the one hand, and the U.S.S.R. and the People's Democracies, on the other, would guarantee work and a livelihood to additional hundreds of thousands of unemployed.

Similar estimates for other countries afford approximately the following picture: orders placed by our country alone would make jobs for over 100,000 persons a year in France, nearly 200,000 in Britain, over 100,000 in Western Germany and the same number in Japan, tens of thousands in Holland, etc. Development of mutually advantageous trade with the Soviet Union alone would thus reduce unemployment and mean better living for hundreds of thousands of workers and their families.

If to this is added extensive trade with China, the People's Democracies and the German Democratic Republic, the prospects for increasing employment and raising living standards become still more favourable.

Gentlemen,

Every speaker at this Conference has pronounced in favour of ending the armaments drive and reducing military expenditures, which are a severe burden on the mass of working people.

The trade unions of our country fully support this proposal.

The funds made available by curtailing military allocations could go to satisfy the vital needs of the working people—to build homes, hospitals and schools. And this, in turn, would make for a substantial decrease in unemployment.

And so, the benefits and expediency of normal economic relations among nations are perfectly obvious. The rupture of international economic ties is due to the artificial barriers which can be overcome by the joint efforts of the people. For their part, the trade unions, whose function it is to safeguard the workers' interests, can do much to eliminate these barriers. And it is not fortuitous that trade unionists from many countries are present at this Conference.

However, certain trade union leaders have refused to attend the Conference, the aim and purpose of which is to explore ways and means of improving living standards through the development of international trade. Yet, these trade union leaders admit that the position of the working people in their countries is deteriorating—inflation is on the increase, prices and taxes are rising, real wages are falling. The result is that they openly support the policy of torpedoing economic cooperation among countries to the detriment of the working people's interests.

In discussing the question of international cooperation we cannot but deal with the role of the United Nations, and, in particular, its Economic and Social Council. The United Nations Charter, as we know, states that its function is to promote better living standards, full employment, economic and social progress, and extension of international cooperation. Unfortunately, the Economic and Social Council is not seeking effective ways and means of improving the life of the people, though major social and economic problems still await their solution. It would be useful if the Economic and Social Council lent an attentive ear to the proposals and recommendations made by the participants in this Conference and took steps to restore and expand economic cooperation among countries and raise living standards.

In conclusion, I wish to say that quite a few valuable proposals were advanced in the debate and that they should, in our opinion, be included in the recommendations which will be presented for consideration by a full meeting of the Conference.

Adoption by the Conference of constructive recommendations to improve living standards, and our joint efforts to put them into effect, will be a contribution to cooperation among the nations, irrespective of their social systems. This will make for economic and social progress and preservation and consolidation of peace, in which all working mankind, all honest men and women are vitally interested. (Applause.)

Mr. R. Amaduzzi

(ITALY)

The most serious problem facing Italy, says Mr. Amaduzzi, is unemployment. Fifteen per cent of our able-bodied population are without work. This is the highest percentage among all industrially developed countries. The wages of our employed workers are very low, those of the industrial worker averaging 25,000 lire, or 38 dollars per month. Two-thirds of the worker's wages go in food, so that there is very little left for other expenditures. And, indeed, the per capita purchase of wool and cotton goods, tobacco, etc., in Italy is the lowest in Europe. The consumption of food products in Italy is also very low. Housing conditions are very bad. Over 3 million people live in huts, caves and in premises absolutely unfit or unadapted for human habitation. The overcrowding is awful. It has been estimated that to restore the prewar situation, it will be necessary to build at least 7 million rooms or two and a half million flats.

These problems can only be solved by an

increase in the national income. Italy must increase her level of consumption and also her capital investments. The Italian General Federation of Labour has always demanded a policy of increased capital investments and of the expansion of production.

But we are often told that such a policy is impossible since it presupposes increased imports, whereas Italy, it is said, cannot increase its imports, since it is unable to increase its exports. It is also asserted that it is impossible in Italy to utilize our idle production capacities.

Many speakers at this session, particularly Nestorov, President of the Chamber of Commerce of the U.S.S.R., have shown that many countries are in a position to supply Italy with the raw materials and manufactured goods she requires. They have also shown that there are countries desirous of purchasing my country's agricultural and industrial products.

We would like to believe that Italian businessmen will accept the proposals of businessmen in other countries and of business executives of the Soviet Union and of the People's Democracies.

We consider that the extension and development of international economic exchange unhindered by all discrimination is so vitally urgent a matter that the United Nations cannot be unconcerned about it. That is why we suggest that our Conference approaches the UNO with the proposal that, in accordance with the principles recorded in its Charter, this problem be examined in the Economic and Social Council. All nations must be urged to conclude an agreement the purpose of which is to eliminate all artificial obstacles to the establishment of broad commercial exchange between the different countries. (Applause.)

Mr. A. Deutsch

(U.S.A.)

"I," said Mr. Deutsch, "am a member of the Typographical Union of the American Federation of Labour. I am part of a delegation of trade unionists visiting the Soviet Union as guests of the Soviet trade unions. Among our union delegation are members of the Carpenters' Union (A.F. of L.), Hosiery Workers' Union (A.F. of L.), Packing House Workers' Union (C.I.O.) and Furniture Workers' Union (C.I.O.)."

Mr. Deutsch expressed his regret that the leaders of his union were unable to participate in the Conference. Perhaps, he said, they could not penetrate the "iron curtain" that supposedly exists somewhere between Washington, D.C. and Moscow, though the American delegation did not bump their heads onto any "iron curtain" in Moscow. We are happy, Mr. Deutsch continued, to be able to participate in this Conference and hope to contrib-

ute to the discussion the needs and desires of the American working class.

Unemployment is growing in America. The production of war materials will not eliminate unemployment. Latest labour market survey of the U.S. Department of Labour for January showed 23 areas where at least 6 per cent of the labour force is out of work. This does not include those on parttime work. These areas involve mainly the textile, wearing apparel, automobile and coal industries.

A report from Boston to the Wall Street Journal in a February issue said: "Textile companies are gripped by their severest depression in 20 years. Cotton and rayon processors of New England are running at about half normal capacity, woollen and worsted mills at a scant 40 per cent of capacity."

Between November 1950 and November 1951 some 103,000 production workers were laid off in the automobile industry, while in textiles the drop was 115,000 in the same period. The Department of Labour predicts a job cut of 400,000 this year in the construction industry.

Mr. Deutsch pointed out that unemployment and the rise in prices are having a serious effect on the condition of the working class, and he bore this out by citing a statement made on March 21 by U. E. president Fitzgerald to the Senate Banking and Currency Committee.

"Not spendable average weekly earnings of production workers in manufacturing, in 1939 dollars, show a decided drop from December 1950 to December 1951. The average worker now falls short by 652 dollars of obtaining a 'minimum adequate' standard of living for his family."

When the United Nations was organized, Mr. Deutsch continued, it was hoped that America would use its tremendous productive powers to raise the living standards not only of its own people, but would help to raise the standard of living of other peoples of the rest of the world. Instead, the American government has engaged in a struggle for world power, disregarding the rights of colonial peoples to self-government, and is now engaged in a useless and unpopular war in Korea.

The American workers want no wars of conquest. They refuse to accept a wage freeze and are struggling for a higher standard of living.

I believe that most of us realize that the best way to get along with somebody else is to give and take. Therefore, as practical people, we know that all of us can get along better by trading with each other. The revival of free trade between America and the rest of the world will bring about better relations between all countries and bring much closer a world living without fear of war.

I would like to offer a few proposals. The first is that we should make a recommendation to revoke the Battle Act. This law restricts American businessmen from trading with the East.

We should work to remove the discriminatory barriers.

We should try to get war production curtailed so that we can have better housing.

Finally, we should recommend to the Plenum to have a permanent committee set up from this body and possibly have another conference next year. (Applause.)

Mr. Stelian Moraru (RUMANIA)

Mr. Moraru gave the views of his delegation on the causes for mounting unemployment and lowering living standard in a number of countries. Elimination of unemployment and improvement of living standards, he said, depends in large measure on international economic cooperation, for international cooperation will bring more business to all countries.

Broad and effective development of trade requires that all transactions and agreements between countries, regardless of their social and economic systems, be based on the principle of equality and mutual advantage and should preclude discrimination in any form.

Expanding international trade makes for more intensive employment of production capacities, and this means jobs for millions of men and women now living in unemployment and poverty.

Despite all the obstacles which the ruling circles of certain countries are raising, Rumania's foreign trade, far from contracting, has increased, thanks to her agreements with the U.S.S.R. and the People's Democracies. Trade with the Soviet Union, Czechoslovakia, Poland, Hungary and other People's Democracies has helped in no small share to develop industry and agriculture in Rumania and to promote the welfare of her people.

Compared with 1938, Rumania has doubled her industrial output, and agricultural output in 1951 was likewise above the 1938 level. Construction of new mills and factories and expansion of existing plants is making for the influx of more and more workers into industry. There is no unemployment in the Rumanian People's Republic; on the contrary, there is a demand for more and more workers.

Rumania's economic development necessitates greater imports and offers additional possibilities for exports. Rumania is prepared to import from the West, in 1953-55, goods to a value of 1,500 million Swiss francs. Bro-

ken down in commodity groups the figures would be: metal and metal products—400-500 million Swiss francs; chemical products—100-150 million; electrical machinery and appliances, motors and machine tools—200-300 million; textile raw materials and semimanufactures—approximately 200 million; nonferrous metals and semimanufactures of same—approximately 150-200 million; machines, industrial plant, precision instruments, diverse appliances—200-250 million; rubber—100-150 million Swiss francs.

From Great Britain we could import raw materials, textiles, rubber, chemical products, nonferrous metals, machines, rolled goods; from Argentina—wool, tanning stuffs; from Austria—machines, chemical products, rayon yarn; from Switzerland—dyes, chemical products, machinery, motors; from France—medicaments, rayon yarn, aluminium; from Western Germany—rayon yarn, rolled goods, machinery, motors, instruments, appliances and other items. In exchange, Rumania can offer oil products, grain, fruit, vegetables, timber, cement and other building materials, locomotives, tractors, oil and mining equipment and other industrial goods.

This is a concrete program of exports and imports, Mr. Moraru said in conclusion, and on the basis of it we sincerely desire to promote international trade in the knowledge that it is an indispensable condition for raising living standards everywhere. (Applause.)

Mr. Ferenc Bozsoki (HUNGARY)

Many important problems were discussed in our Working Group—unemployment, housing, social welfare and others. Their positive solution would contribute to an improvement in social conditions in some countries.

Before the war many thousands of Hungarian workers sought escape from unemployment in emigration. There was unemployment after the war too. But the far-seeing leaders of our country led the people onto the path of rapid progress. Every Hungarian worker knows that only peace and constructive labour can bring prosperity and happiness.

The first three years after the war were

devoted to economic recovery. One of our objectives was to wipe out unemployment and poverty, and we drew on the experience of the country where the problem had been successfully solved. We learned from our great friend, the Soviet people, rationally to utilize our natural resources for the benefit of the working people.

New mills have been built, many are still under construction; they are greatly enhancing our national output. In the last three years over 300,000 workers were added to our labour force; the number of workers employed in the heavy industries has practically doubled. The building industry has likewise developed rapidly. We eliminated unemployment in 1950, in fact, we have had to set up a special institute to train workers for industry.

Industrial development is paralleled by increased living standards. Our people are buying more clothing, footwear, foods and other goods than ever before.

Our country guarantees every worker the right to labour, rest, social maintenance in the event of sickness and old age. The social welfare system has been broadened to include agricultural workers as well as those in industry. Every worker is entitled to free medical service. All factories supply working clothes and special diets. Every worker is entitled to an annual paid holiday of from 12 to 24 days which he can spend at the country's best health resorts.

Hungary has developed from an agrarian country into an industrial one. But agriculture, too, is making rapid headway. In addition to our exports of industrial goods, we can export increasing quantities of farm produce, and in coming years we will be in a position to place on the market some 900,000 tons of cereals, 240,000 tons of sugar and sizable quantities of vegetables, fruit and animal products.

Our import requirements consist of machine tools, precision machinery, timber, metals and raw materials.

We are firmly convinced that the extension of international trade would help to raise living standards and solve the social and cultural problems that face the working people. (Applause.)

Mr. John Stanley

(GREAT BRITAIN)

Members of trade unions and trade union officials, Mr. Stanley said, are concerned with every trade, as the prosperity of one has its effect on the others. As an example, Mr. Stanley cited his own particular industry, the construction engineering and building industry, which, he said, is suffering from a shortage of steel for the building of flats, hospitals, schools, etc., this being due to the available supply being diverted to rearmament. The steel shortage is affecting motor cars, wagons, etc. Timber, which can be imported from the East, is in short supply because of the restrictions on British trade as a result of outside pressure. Carpenters, joiners and other building trade workers are unemployed as a result of short supplies of materials. Scottish unemployment is increasing from the same cause, Mr. Stanley pointed out.

British agriculture is feeling the pinch, because of a lack of capital necessary for expansion and, owing to the restrictions on exports, British imports of essential foodstuffs suffer serious reductions. Consequently, Mr. Stanley continued, if the British people are to be fed adequately, Britain's export trade must be increased.

We do not want trade to be treated as a gamble again, Mr. Stanley continued. Businessmen must link up with all countries on a cooperative basis and pool their resources. We, as trade unionists, see the difficulties under a competitive system, and, possibly, our solution will not find universal favour.

Submitting a proposal aimed at eliminating currency chaos, Mr. Stanley said in conclusion: "No more must we rely on rearmament to prevent unemployment and slumps. We must build for construction and not destruction." (Applause.)

Mr. Jorgji Shuli

(ALBANIA)

Mr. Shuli began his speech with a description of the economic situation in Albania. Prior to the Second World War, he said, Albania was formally considered an independent country, but actually she was a semi-colony of Italy. Foreign capitalists bought up the country's raw material at very low

prices for export, and then sold Albania goods made out of these very same raw materials at high prices. This affected the condition of the toiling masses: the peasants eked out a miserable existence, unemployment was rife among the working class, and large sections of the Albanian people were unable to satisfy even their most elementary needs. The people were at a very low level of culture, as can be seen from the fact that before 1944, over 80 per cent of the population were illiterate. The Second World War inflicted considerable damage on Albania's economy.

Following the liberation of the country, the prewar economic level has been rapidly surpassed, and effective measures have been taken to improve the living conditions of the people. Women have acquired rights on a par with men, and now receive equal pay for equal work; unemployment has been abolished and a system of social insurance and free medical service has been introduced; there is a growing network of nurseries and kindergartens, and illiteracy is being liquidated.

After the Second World War Albania has established and developed commercial relations with the Soviet Union and the People's Democracies on a basis of mutual advantage.

She exports the products of her industry and agriculture and imports the goods the country requires, mainly equipment. It is these relations that have facilitated the country's economic progress.

Our delegation, Mr. Shuli stated in conclusion, supports the proposals that M. Louis Saillant, the Secretary General of the World Federation of Trade Unions, put forward at the Plenary Session of this Conference. (Applause.)

Mr. Seyed Taghi Razawi

(IRAN)

Undoubtedly, Mr. Razawi said, the living standard and purchasing power of Iran's working people are exceedingly low. The housing and hygienic conditions and food of the workers and middle classes leave much to be desired.

Iran is potentially a very rich country in agriculture and mineral production. Unfortunately, however, until now all these are mere potentialities.

It is not our intention, the speaker continued, to discuss here problems related to the demands of Iran's working people, and for this reason I shall limit myself to the following proposals:

Firstly, to develop basic industries in the economically underdeveloped countries;

Secondly, to abolish the domination of the monopolies and trusts, which are the cause of the present economic crisis. This will bring about a development of trade between all countries;

Thirdly, to organize on a broader scale cooperation among the economically underdeveloped countries with the object of developing agriculture and industry in these countries. (Applause.)

Mr. Jamal Musa

(ISRAEL)

The speaker began by saying that the problem of foreign trade is closely bound up with the country's social problems. For example, the problem of imports depends on the state of the national economy, involving problems of unemployment, wages, and prices of essential commodities.

Israel, whose trade with the Soviet Union and the People's Democracies is almost insignificant (constituting no more than 3 per cent of the total trade), is forced to pay for the bulk of her imports in foreign currency, particularly in dollars. But since Israel is suffering a shortage of foreign currency, imports have been curtailed. A reduction has taken place in the importation of industrial plant and raw materials, as well as in consumer goods. Imports of agricultural implements and equipment have also fallen off. As a result, home industries are suffering. The output of footwear has fallen by 70 per cent, of textiles by 50 per cent. A large number of building projects have been discontinued.

The curtailment of imports has brought about a similar situation in other industries. Some of Israel's businessmen have been hard hit. The number of unemployed has grown, has in fact doubled during the last two months. This in turn has brought about a lowering of the standard of living. The purchasing power of the population has dropped by almost 35 per cent.

The housing problem has become acute. There is a shortage of shoes and clothing. The consumption of foodstuffs has fallen off by one-third as compared with an earlier

period. The prices of essential commodities have risen by 50 to 100 per cent since the beginning of the current year. Real wages are approximately only half of their original value. Taxes have increased. Incidence of disease is increasing and the use of medicines has fallen off, since a rise in prices has made them almost inaccessible to the general public. Nor can the masses of the people afford medical services. Due to a decrease in imports of building materials, refugees are living in shacks and hovels, unable to find decent living quarters. At the same time the production of foodstuffs has suffered. Sowing areas are not being expanded in accordance with the growth of the population. Areas under olive groves have been diminished despite the fact that olive oil is in demand on the world market.

If Israel had a chance to increase imports of industrial plant, raw materials, and agricultural equipment, this would bring about a revival of industry and agriculture, would strengthen the national economy, lower the number of unemployed, solve problems of housing, food and clothing. And if Israel's imports were based on an exchange of goods rather than on payment in dollars, the country would be in a position to expand production, especially agricultural production, the export of which would cover the cost of imports. Then Israel would be able to trade with the Soviet Union and the People's Democracies on the basis of an exchange of goods. Trade agreements concluded between these countries and Israel during the last two years show that Israel could pay for imports half in foreign currency and half in kind. In 1949, 20 per cent of Israel's total trade was with these countries, but at present it is only 3 per cent, a fact which has been very detrimental to Israel.

An increase in the production of industrial and agricultural machines and consumer goods in the Soviet Union and the People's Democracies has opened up extensive markets from which Israel can import industrial plant and consumer goods. It is just this which the interests of the people and the national economy of Israel require.

In conclusion, the speaker suggested that at the Plenary Session of the Conference, the Working Group submit a recommendation that delegates from all countries place before their governments, as well as before trade and industrial circles and the businessmen of their countries, the demand that present barriers to trade be removed in order to expand peaceful trade among all nations. (Applause.)

Mr. C. Riffo Blest

(CHILE)

Mr. Blest began by noting that the International Economic Conference was not merely of technical interest. It was of interest to the whole of mankind, he said, since it concerned itself with the whole of mankind without distinction as to race, ideology or class.

Chile is in the throes of an economic crisis, Mr. Blest stated further. The victims of this crisis are the factory and office workers, and that is why they are vitally interested in attainment of the basic objects of the International Economic Conference.

The speaker supported the proposal that the Conference recommend removal of discriminatory practices and obstacles to economic and trade development. As one of the victims of this discrimination Chile would like to see steadily increasing trade and elimination of all obstacles to trade development.

Further Mr. Blest said that the copper mined by his peace-loving nation was now being used in other countries for the manufacture of weapons for the destruction of mankind. We want our raw materials to be used not for war but for peace, he declared.

Large-scale exports of Chilean saltpetre to countries which have carried out agrarian reforms and are developing their agriculture would enable it to be used as fertilizer, for lofty humanitarian purposes.

The speaker supported the proposal that the Conference recommend a reduction in military expenditures.

Endorsing, as well, the Italian delegate's proposal that a message be addressed to the United Nations, Mr. Blest stated in conclusion: "I should like to reaffirm the Chilean people's confidence that our Conference will be characterized not by talk but by an earnest desire to get things done." (Applause.)

Mr. A. H. Shah Sayed

(PAKISTAN)

Stating that the living standards of the people depend on the solution of the food problem, Mr. Shah Sayed pointed out that of Pakistan's 114 million acres of land, only 42 million were cultivated. Another 25 million could be brought under cultivation if Pakistan had the cooperation and assistance of developed countries.

Pakistan produces more grain and other agricultural crops than is consumed at home, and accordingly exports a large part of them. But agricultural production could be doubled if Pakistan received farming machinery and fertilizer from developed countries on a long-term credit basis.

In her turn, Pakistan is in a position to export jute, cotton, hides and foodstuffs. The country also needs the services of experts in the food problem and the health services. (Applause.)

Mr. Arnaldo Cuneo

(ARGENTINA)

Mr. Cuneo spoke of the need to improve the world economic situation and pointed to removal of the barrier between East and West as one of the conditions for this.

Going over to concrete proposals, he said that Argentina had to develop her natural resources; she must increase her output of oil, coal and water power. From the speeches of various persons who had taken the floor it was clear that there were countries where factories and mills were standing idle or soon would be; these countries had a big man-power potential. "I propose the following," he said. "Conclude an agreement with Argentina for a definite period, say five years, send businessmen, workers and equipment, and start prospecting for oil, drilling wells, building factories, plants and hydroelectric stations, and sinking mines.

"This would open up prospects for abolishing unemployment and improving the condition of the working class of Argentina."

Mr. Cuneo considered that Argentina could conclude agreements with countries in need of agricultural produce and ready to sell industrial equipment in return.

He said that Argentina needs rolled metals and cement for housing construction. It also needs medicaments and surgical instruments for the public health services, insecticides and chemicals.

In conclusion Mr. Cunco proposed that an international congress of agriculturists be convened in the Soviet Union. (Applause.)

Mr. Thakin Lu Aye

(BURMA)

Mr. Lu Aye described the position of the working class of Burma. The country's working people, he said, suffer from malnutrition, some of them do not have sufficient rice and part of the year have only one meal a day. Disease and epidemics are common. The death rate of Burma's population is the highest among all Southeast Asian countries. Official statistics for 41 towns of Burma show that in 1947 there were 39 births and 38 deaths per 100 inhabitants, in 1948 the figures were 43 and 37 respectively and in 1949—34 and 37. In 1949 there were 2,106 stillborn cases out of a total of 34,216 births in these towns. Many of the children do not survive: 331 out of every 1,000 new-born infants died in 1949.

Mr. Lu Aye pointed out that in Burma many women die during childbirth, a big number of infants are stillborn or die in early childhood; many of those surviving then die from diseases which could be prevented.

There are many unemployed in the country, Mr. Lu Aye said. Burma's working people eke out a beggarly existence. Real wages have dropped sharply. Compared with prewar, wages increased approximately 3.5 times, while the cost of living went up 5-6 times.

As for social security, the speaker noted, the working people have nothing to hope for, except old-age pensions for a limited circle of government officials.

To develop the country's economy it is essential to discontinue the armament drive and to expand foreign trade.

Burma, Mr. Lu Aye summed up, can restore her war-devastated economy only if she receives the unrestricted possibility to trade on international markets. It is necessary that Burma conclude agreements with China, Czechoslovakia, Poland and other countries, as was the case before the war. (Applause.)

Mr. Ricardo Mario Acosta

(URUGUAY)

Mr. Acosta said that the Conference should take measures to put an end to the policy of discrimination and blockade. This policy, he said, is an instrument for rearmament and brings great harm to the masses, chiefly the working class, by raising the cost of living, increasing unemployment and complicating social problems in the underdeveloped countries.

Uruguay is feeling the results of the war policy, Mr. Acosta said. Its budget for 1951 allocated 62 million pesos for armaments and 28 million pesos for maintaining the armed forces. In addition, Uruguay annually spends about 60,000 pesos on payments to foreign missions which are training the army, navy and air force.

Mr. Acosta said that Uruguay needs machines, equipment, timber, cotton and iron ore. In return she can export wool, meat, hides, butter, wheat, rice, flax and other agricultural produce, textiles and semi-manufactures. He said that if discriminatory practices were completely removed, his country could participate in world trade.

The Uruguayan delegation proposed that the Conference adopt a resolution condemning the policy of discrimination as being detrimental to all nations, and especially to the working people. (Applause.)

Mr. Mobarak Saghar

(PAKISTAN)

Mr. Saghar declared his full agreement with the views expressed by Conference delegates in regards to solving social problems through economic development and the abolition of unemployment.

Peaceful production, he said, increases the wealth of the nation, is conducive to full employment and raises wages. But production without a more equitable distribution of products can only render the condition of the working people more difficult, and multiply industrial conflicts and strikes.

In conclusion Mr. Saghar proposed that the magnates of finance and industry should plan higher wages and better amenities of life for the workers when they plan to expand production. Genuine international cooperation requires that the advanced countries should try their best to ameliorate the social conditions of the working people in both their own and other countries. (Applause.)

Herr Hermann Schlimme

(GERMAN DEMOCRATIC
REPUBLIC)

Concern for the workingman, said Herr Schlimme, involves a great social problem, and the International Economic Conference must contribute to its solution by the rational development of international trade.

Herr Schlimme spoke of the colossal damage suffered by many countries, including Germany, as a result of the Second World War. He recalled the fact that according to official statistics, 1,300 million people are suffering today from undernourishment or starvation.

Mankind, continued Herr Schlimme, cannot for long endure this state of affairs. Everything must be done to ensure that by increasing international trade and abandoning general armament we cure the ghastly wounds inflicted by the war.

Dealing with the situation in Germany, Herr Schlimme stated that the splitting of Germany into two parts, the East and the West, has resulted in the country's economy pursuing two different lines of development. Over a period of almost sixty years extensive social and political legislation was adopted in defence of the rights of the working people. But on orders from the Government nearly 20,000 million gold marks were expended during the two world wars on armaments, against the will of the people and at the expense of their social services.

About a year ago, the entire social welfare system in the German Democratic Republic was handed over to the trade unions.

What chiefly conditions the better organization of social insurance in the German Democratic Republic is the fact that unemployment has been abolished, and the working people receive holidays with pay. They enjoy free medical attention, and we are thankful, said Herr Schlimme, to the Soviet trade unions for having shown us the new ways of reorganizing all branches of social welfare.

Following the First World War there was established the International Labour Bureau, whose task it was to assist in implementing social and political legislation in all countries. It was part of the League of Nations, but it proved absolutely incapable of solving any social or political problems.

Herr Schlimme expressed his views on measures for solving urgent social problems on the basis of expanding trade and of social cooperation among the peoples.

Germans, said Herr Schlimme in conclusion, are very anxious to ensure that after the nearly seven years of war and the postwar period, our nation shall be able to reorganize its economy in the East and the West of Germany, and thereby ensure peace throughout Europe. (Applause.)

Mr. Charles Mubrey

(UNITED STATES)

Mr. Mubrey said that he saw only one Negro in the Social Economic Group of this Conference. In this connection he felt it was in place to refute the assertion that the Negro allegedly does not want to take

part in public affairs. This is not the case. The Negro is on the march with you, marching for justice, equality and fair play (applause), not only in the social economic sphere but also in all others which have a bearing on man's determination to thwart those who propose to forcefully maintain and strengthen the policy of race discrimination.

We, the rank-and-file Negroes of America, Mr. Mubrey declared to the applause of the audience, warmly clasp your hands in a spirit of lasting friendship; the hands of all peoples everywhere who are willing to live on the principle of the golden rule which says: "Do unto others as you would have others do unto you." (Applause.)

UNDERDEVELOPED COUNTRIES GROUP

Mr. Youn Hen Chjoun

(KOREAN PEOPLE'S DEMOCRATIC REPUBLIC)

Mr. Youn Hen Chjoun associates himself with the views of many speakers who declared that the development of commercial relations on the basis of cooperation and mutual respect for interests, leads to the economic progress of the underdeveloped countries and to improved living standards. The economic situation in Korea is clear proof of this.

In August 1945 Korea was liberated from the yoke of Japanese imperialism by the great Soviet Union, and the Korean people proceeded to build up a united and independent Korean People's Democratic Republic. The Americans, however, occupied South Korea, with the result that the country was split into two parts. In North Korea democratic reforms were speedily carried out, so that the national economy rapidly developed. Speedy progress was achieved above all in machine-building and iron and steel industries. There was also an increase in the area under crops and in the grain yield.

By the first half of 1950 all the conditions existed for the transformation of North Korea from an agrarian into an industrial land. Its economic successes were facilitated by the system of trade between the Soviet Union and the Korean People's Democratic Republic, based as it is on conditions of mutual advantage. The Soviet Union helped Korea to restore its factories, mills, mines, railways, etc.

Due to the colonial regime established by the American imperialists in South Korea, its economic life is being wrecked. The Americans are closing down and destroying

many factories and mills. If we take the 1945 output in South Korea as 100, the output of the engineering industry in 1949 was only 5, that of agricultural machinery production—9, and of the textile industry—13. That is why, despite the fact that the South Korean market is swamped with American goods, the people are unable to avert the severe inflation, starvation and unemployment reigning there.

U.S. ruling circles are unconcerned about the needs of the South Korean people; all that interests them is their selfish aims. It was to multiply their profits that they let loose a sanguinary war in Korea. Air raids and bombardment from the sea have reduced many of our towns and villages to ruins. Factories, mills, mines, railways, schools and hospitals have been destroyed and many thousands of our civilian population have been killed.

The speedy rehabilitation of the economy of North Korea, continued Mr. Youn Hen Chjoun, will require a large amount of material and technical assistance. We must import agricultural machinery, medical equipment, rubber, soya, textiles and other goods. In exchange we can offer the products of our mining industry, rice and fish and other sea products.

In conclusion Mr. Youn Hen Chjoun said: "We shall still further strengthen and expand our foreign trade with the Soviet Union, China and the People's Democracies and we hope to establish commercial relations with all other countries. We are profoundly convinced that foreign trade relations can be established between countries of different social and economic systems, and also between industrially underdeveloped and highly developed countries, to the mutual advantage of the parties concerned."

Mr. Youn Hen Chjoun submitted the pro-

posal that the industrially highly developed countries should supply the underdeveloped countries with the necessary equipment by way of international trade, and that an international body should be set up to render technical aid. (Applause.)

Mr. Hossein Dariuché

(IRAN)

Mr. Dariuché introduced himself as an expert on questions of trade. He stated that in Iran the situation was no better than in any other poorly developed country in Asia.

He then submitted the following proposals:

1) All unnecessary restrictions, which act as barriers to the development of trade should be removed.

2) An International Bank should be established for the purpose of promoting barter or exchange relations between the different countries so as to put an end to the currency domination of the highly developed countries over the underdeveloped countries.

3) An International Transport Bureau should be established to facilitate the transport and handling of goods which a country may be in need of.

4) Economically advanced countries may assist the underdeveloped countries by supplying them with machines, equipment and other items on the basis of long-term credits to be agreed upon and without any political or economic restrictions whatsoever.

5) A permanent office representing this Conference should be set up and should be charged with the work of organizing similar conferences should such be needed in future. At the same time they should examine and study on the spot the condition of the underdeveloped countries, and submit their recommendations. (Applause.)



Underdeveloped Countries Group in Session

Dmitri Borisenko (U.S.S.R.)

The principal task before our Group is to explore possibilities of improving the living standards of the people in the economically underdeveloped countries by promoting normal trade between them and other countries.

The Soviet foreign trade organizations are prepared, on their part, to extend trade with the underdeveloped countries, and this would doubtlessly assist in their economic advancement. It is known that the Soviet Union bases its commercial relations with other countries on the principle of equality and nonintervention in the domestic affairs of other states, and that these relations are free from any political strings.

In accordance with its trade agreements with the People's Democracies, the Soviet Union supplies to these countries equipment

and raw materials, thus assisting in the development of their economies, and of their industries in particular. For illustration, D. Borisenko referred to the aid rendered by the Soviet Union to Bulgaria and Albania.

Many speakers at the Conference emphasized the great importance of industrial development for the economy of the underdeveloped countries. A vivid illustration of this is afforded by the Central Asian Republics of the Soviet Union which were economically backward in the past. Let us take Uzbekistan, for example. A colonial hinterland of tsarist Russia in the past, it has developed into an advanced industrial republic.

We share the view of those representatives of the underdeveloped countries who spoke of the necessity of industrial development in their countries. The economic policy of the underdeveloped countries should be so framed as to promote the thorough development

of national industries and to protect them against dumping and other forms of ruinous foreign competition. The representatives of Chile and Brazil have directed our attention to the fact that foreign states are pumping out of their countries great wealth without due compensation, and that this restricts the development of their economy, and of industry in particular. Some of the speakers referred to so-called one-sided economic assistance. I am of the opinion that the best form of real economic assistance lies primarily in the normal development of trade and other economic relations on the basis of mutual advantage, equality and nonintervention in the domestic affairs of other countries.

You already know from M. Nesterov's speech that the Soviet foreign trade organizations are in a position to supply within the next 2-3 years about 3,000 million rubles' worth of machinery and equipment to the countries

of Southeast Asia and of the Near and Middle East.

The Soviet foreign trade organizations are in a position to supply India with considerable deliveries of equipment for the construction of power stations, irrigation systems, for iron and steel plants, for railway and road construction, for the food and textile industries, as well as agricultural machinery, fertilizers, motor cars, paper, medicaments, cereals and other goods. The Soviet organizations would also agree to receive payment in sterling currency for deliveries to India. The Soviet foreign trade organizations are prepared to purchase from India her regular export items, such as jute and jute products, shellac, spices, tobacco, skins and hides, wool and other commodities.

The Soviet foreign trade organizations are prepared to do a far greater volume of trade with Pakistan, and they could supply equipment for railways, for the construction of irrigation systems, for power stations and food factories, agricultural machinery, tractors, automobiles, cotton fabrics, paper, etc. In exchange for this, the trade organizations of the Soviet Union could purchase from Pakistan cotton, jute, oil seed, hides and skins.

The foreign trade organizations of the Soviet Union are prepared to establish commercial relations with Ceylon, with which we have conducted hardly any trade hitherto, to supply various equipment, cotton fabrics, and wheat flour, and to purchase in exchange rubber, coconut oil, cocoa beans and spices from Ceylon.

The Soviet foreign trade organizations are in a position to trade also with Burma. We could supply Burma with equipment for the mining and timber industries, agricultural machines, fertilizers and cotton fabrics, and buy from Burma such commodities as rubber, rice and nonferrous metals.

Soviet organizations are also willing to conduct and promote an extensive trade with Indonesia; they could sell to Indonesia a wide range of goods: equipment for textile and paper mills, transport equipment, automobiles, agricultural machinery, rolled metal and metal products, instruments, sewing machines, bicycles, paper, cotton yarn and fabrics, dyes, glass and other goods. In exchange for this, the Soviet organizations

could purchase rubber, tin, coconut and palm oil, spices, coffee, tobacco, copra, cinchona bark, quinine preparations and resins.

The Soviet foreign trade organizations are prepared to conduct a considerably greater volume of trade with Thailand, to sell mining, road building and irrigation construction equipment, and to buy rubber, tin and rice.

The Soviet trade organizations are prepared to extend their commercial relations with Iran; they could supply Iran with a wide range of items, and, in particular, with equipment for grain elevators, for cotton ginneries and textile mills, for the food industry and road construction, transport equipment, agricultural machinery, cotton fabrics, paper, cardboard, sugar, etc., and to buy, in exchange for this, rice, cotton, dried fruit, tobacco, oil seeds and natural resins.

The Soviet trade organizations would be willing to do a considerably greater volume of trade with Afghanistan, and to deliver in particular various equipment, equipment for the food industry, automobiles, agricultural machinery, fertilizers, oil products, cotton fabrics, sugar, etc., and to buy cotton, wool, dried fruit, hides and oil seeds.

The Soviet trade organizations have the possibilities to effect a considerable increase in their volume of trade with the countries of the Near and Middle East: Egypt, Iraq, Syria, the Lebanon and Israel; to export to these countries various goods, including transport and road building equipment, automobiles, iron and steel and allied products, coal, timber, building materials, paper, cardboard, cotton, fabrics, wheat, sugar and other goods. On their part, the Soviet organizations could purchase the goods usually exported by these countries, such as cotton, rice, wool, hides, dates, etc.

Soviet industry is able to produce the machines and equipment which the underdeveloped countries may require for building up various branches of industry, transport and agriculture. Soviet trading organizations are also prepared to offer other goods required by these countries. Moreover, Soviet trade organizations would be willing to receive payment for their exports in the national currencies of the respective countries and to use them for making purchases in these countries.

D. Borisenko noted with satisfaction the fact that representatives of the business

circles of some of the underdeveloped countries—Iran, Ceylon, Egypt, the Lebanon and others—are already conducting lively negotiations with representatives of Soviet foreign trade organizations. As a concrete example the speaker mentioned the offer made by the representatives of Ceylon's business circles to sell rubber and to buy from the Soviet trade organizations automobiles, cement, sewing machines, paper, etc.

It should be noted that the representatives of the business circles of the underdeveloped countries are conducting lively negotiations both with Soviet organizations and with organizations of other countries.

We thus see, gentlemen, said D. Borisenko, that there are extensive possibilities for widening trade between the U.S.S.R. and the economically underdeveloped countries on mutually advantageous conditions. The expansion of this trade will unquestionably help to promote international economic cooperation and to sustain peace in the whole world. (Applause.)

Mr. Bruzio Manzocchi

(ITALY)

Mr. Manzocchi pointed out that to him, as economist and director of the monthly "Notizie Economiche," work in this group was of great interest.

Italy is a country with a relatively developed industry and production machinery and capacities that are much above the present level of output, said the speaker. There is a great disproportion in the development of different branches of economy in Italy. While the northern areas of the country have a well-equipped industry, the southern areas are economically backward.

As a consequence, Italy suffers from a chronically limited home market, expressed in a low level of industrial consumption. The average daily per capita food diet amounts to 2,200 or 2,400 calories and the average annual consumption of pig iron is less than 100 kilograms per capita. The limited home market affects production, a considerable part of the production capacities is idle and the potential labour of our people is not utilized. According to the official statistics, the number of totally unemployed exceeds 2 million and the number of parttime workers equals this figure.

Thus, Italy, while not being in the category of underdeveloped countries, is undoubtedly but little developed in com-

parison with the potentialities of her economy and the needs of her population.

Under these conditions, Mr. Manzocchi said, it is evident that the development of foreign trade is of great interest to Italy. I would like to stress here, however, the interest in increasing Italian trade with the underdeveloped countries, specifically with the countries of the Near East and Asia. Owing to the special structure of her economy, Italy buys from these countries mineral raw materials, especially nonferrous metals, cotton, industrial oil, etc. On the other hand, Italy can offer such manufactured goods as equipment, motors, agricultural machinery, industrial plant, as well as consumer goods, especially textiles. Prior to the Second World War Italy's trade with these countries was at a high level. After the war, especially during the last two years, Italy's trade with the underdeveloped countries of Asia is shrinking. Italy has almost completely broken direct relations with the so-called third markets. This undoubtedly has aggravated the difficulties of Italian foreign trade and consequently the difficulties of Italy's economy. For this reason I think that I will express an opinion current among Italian economic circles, making the wish that this Conference concretely facilitate the expansion of trade with the underdeveloped countries.

I think that the Conference can make its contribution with regard to the following:

- 1) Establishment of trade relations on the basis of equality and mutual advantage;
- 2) Creation of a vast economic area of multilateral trade with the participation of all countries on a parity basis, and of a corresponding system of payments.

Thus, Italy could assist in the advance of the underdeveloped countries and simultaneously accelerate the pace of her economic development, making a step towards abolishing the existing disproportion among various branches of her national economy. (Applause.)

Mr. Bela Szilagyi (HUNGARY)

Hungary, said the speaker, suffered greatly as a result of World War II. The first three postwar years were years of rehabilitation. At the end of 1951 our industrial output was three times greater than in 1938. This changed the entire character of our national economy. At present industry is the primary source of national income.

Our country has been transformed from an agrarian country into an industrial one. At the same time everything is being done to develop agriculture. Formerly, said Mr. Szilagyi, Hungary was known in Europe as an exporter of agricultural produce. We still export them, but the development of industry has enabled us to produce various types of machines and consumer goods, which have now become an important part of our export trade. Among these items are electric motors, locomotives, pumping stations, and electric bulbs.

In the postwar period Hungary established trade relations with many countries of Southeastern Asia as well as of Latin America. For example we export machines to Pakistan and locomotives to Egypt, Argentina, and other countries. Hungary also exports electric measuring instruments, bicycles, textiles, and other things. At present we trade with some eighty countries.

We would like to form business contacts with countries with which we have never traded before. That of course does not mean that we shall neglect our traditional European markets. There are a number of commodities which in the near future Hungary will begin to export. Among them are industrial plant, refrigerators, autobuses, bicycles, radio sets, and sewing machines. We ourselves would like to buy raw materials, semi-manufactures, and other things.

We are of the opinion that trade should develop unfettered, without the slightest discriminatory measures, and not in the forced manner in which certain countries would have it develop.

Further M. Szilagyi stated that Hungary would like to develop bilateral trade relationships, in which backward countries could participate to their own advantage. The basic problem is to establish direct contact with these backward countries. Hungary is willing to accept the currency of whatever country she trades with, in which case Hungary will use this currency for buying semimanufactures and raw materials. Mr. Szilagyi is of the opinion that arrangements could be made for credits to be granted by the Hungarian National Bank or the Hungarian Foreign Trade Bank.

We shall be very glad if other countries find such conditions acceptable, in which case we can develop trade relations with underdeveloped countries. (Applause.)

Mr. Qiriako Harito (ALBANIA)

Mr. Harito spoke of the fact that Albania used to be an underdeveloped country with an extremely low economic and cultural level. Feudalism held sway in the countryside. Albania's mineral resources were exploited by foreign capitalists. Minerals were exported at low prices and then resold to Albania as manufactures at high prices. This held up the country's economic development.

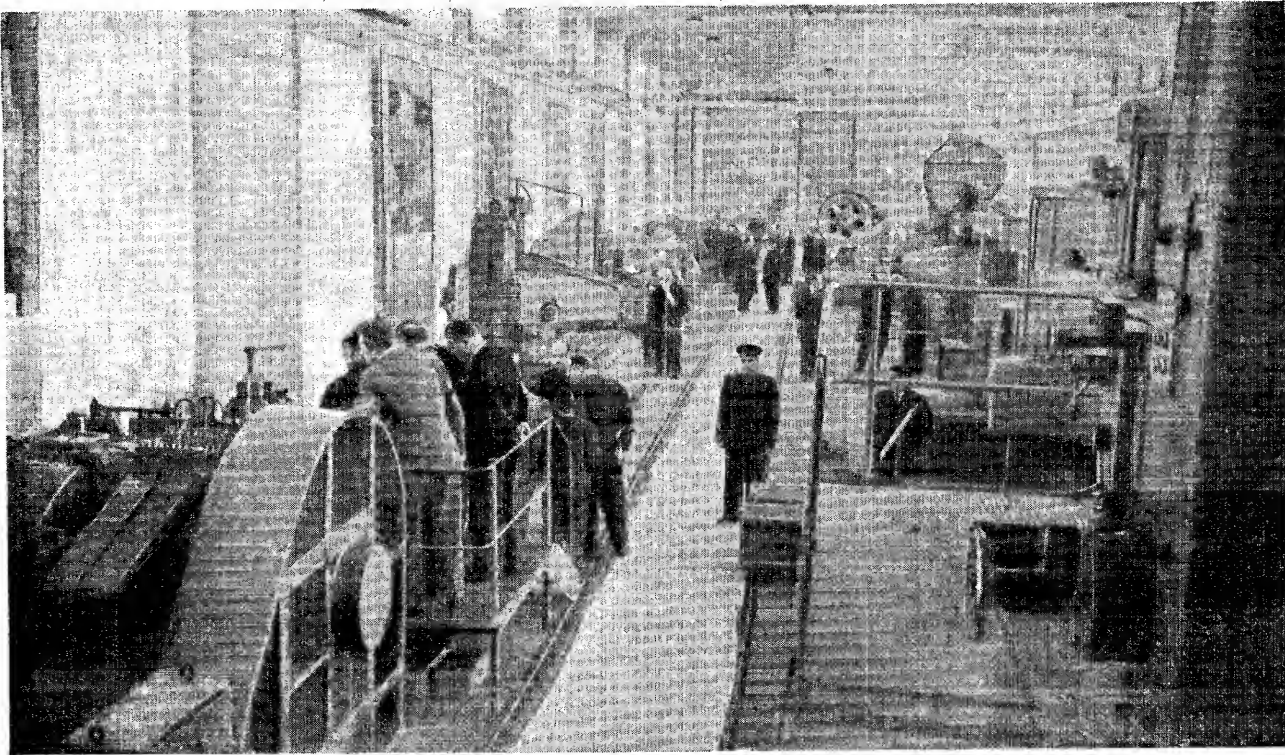
Further Mr. Harito pointed out that when Albania won complete economic and political independence she began to rebuild the country, develop its economy and raise the living standard of the people. Economic consolidation is being accompanied by rising living and cultural standards. Albania has established broad economic relations with the U.S.S.R. and the People's Democracies on a mutually advantageous basis. These relations have helped Albania to lay the foundation for industrialization and to build up new industries, including the sugar and textile industries. With the assistance of the U.S.S.R. and the People's Democracies Albania has built a number of industrial enterprises and has obtained trained personnel to operate them.

In conclusion Mr. Harito expressed the conviction that the development of mutually advantageous economic relations would become an important factor in raising both the living and cultural standards of the peoples of all countries. (Applause.)

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Following the general discussion, the Group heard the draft recommendations on problems of underdeveloped countries. The recommendations were proposed and discussed by Mr. Baidyanath Banerjee and Mr. Purushotta Tongaonkar (India), Mr. Orlando Millas (Chile), Mr. M. Miller (Canada), Mr. H. Davies, Mr. A. Horsley and Mr. W. McCrelland (Britain), Mr. Jacques Charriere (France), Mr. Jose Maria Rivera and Mr. H. Fuchs (Argentina), Mrs. Elizabeth Grisar (Belgium), Mr. Saluku Purbodiningrat (Indonesia), Mr. Americo de Oliveira (Brazil), Mr. C. Economides (Cyprus), Mr. Juan Perez (Uruguay), Mr. Otakar Pohl (Czechoslovakia), Mr. Altaf Husain (Pakistan).

The draft recommendations were passed on to an editorial commission which is to report to the Plenary Session of the Conference.



A machine-tool exhibition at the "Stankokonstruktia" plant

This material procured by
Central Intelligence Agency

Industrial Exhibitions in Moscow

Moscow has a whole number of industrial exhibitions now open to visitors. They display the various products of Soviet engineering, light industry and also the arts and crafts.

At the "Stankokonstruktia" works there are demonstrated metal-cutting and wood-working lathes, forge and press equipment, a great variety of tools and abrasives.

In the Maxim Gorky Central Park of Culture and Rest one can see on display passenger cars and trucks, tread and wheel

tractors, and an assortment of cultivators, seeders and harvesters.

The All-Union Construction Exposition comprises building and road-making machines of various models, as well as mining and oil equipment, pumps and compressors.

Light industry products—garments, millinery and furs—are exhibited at the Fashion House on Kuznetsky Most.

The Chamber of Commerce of the U.S.S.R. has an exhibit of petroleum products, coal, rolled metal, ferrous and nonferrous metals,

grains, food products, wines and liquors, motorcycles, bicycles and many other commodities.

Twelve rooms of the U.S.S.R. Academy of Arts at 21 Kropotkin Street are devoted to a display of applied folk art and the arts and crafts industry of the Russian Federation.

The latest achievements of Soviet technology are embodied in the exhibits on display at the Polytechnical Museum.

News Item

The International Economic Conference is proving that it is promoting expansion of international trade. As a result of an exchange of letters in Moscow on April 8, 1952, between Mr. Lorimer, head of the business group of the British Delegation to the Moscow International Economic Con-

ference and Mr. Lu Hsu-chang, President, the China National Import and Export Corporation, and member of the Chinese Delegation to the Confer-

ence, a Sino-British trade contract was signed to the value of 10,000,000 pounds sterling a side covering the period up to December 31, 1952.

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